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AGRIBUSINESS SUSTAINABILITY ASSESSMENT



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ACRONYMS

ABADE	Assistance in Building Afghanistan by Developing Enterprises
ACCI	Afghanistan Chamber of Commerce & Industries
ACE	Agricultural Credit Enhancement
ADF	Agricultural Development Fund
ADP/E	Alternative Development Program East
ADP/SW	Alternative Development Program South West
AFSA	Afghanistan Farm Service Alliance
AISA	Afghanistan Investment Support Agency
ANNGO	Afghanistan National Nursery Growers' Organization
ARFC	Afghan Rural Finance Company
ASAP	Accelerating Sustainable Agriculture Project
ASMED	Afghanistan Small and Medium Enterprise Development
AWBC	Afghanistan Women's Business Center
BBC	British Broadcasting Corporation
CARD-F	Comprehensive Agriculture and Rural Development – Facility
CHAMP	Commercial Horticulture & Agricultural Marketing Program
CNFA	Cultivating New Frontiers in Agriculture
COP	Chief of Party
CSO	Central Statistics Office
DAI	Development Alternatives Incorporated
DAIL	Directorate of Agriculture, Irrigation and Livestock
DCA	Dutch Committee for Afghanistan
DFID	Department for International Development
DIRPA	Dairy Industry Revitalization Project for Afghanistan
FAIDA	Financial Access for Investing in the Development of Afghanistan
FAO	Food and Agricultural Organization of the United Nations
FGD	Focus Group Discussion
FI	Financial Intermediary
FSC	Farm Service Center
FSCAA	Farm Service Center Association of Afghanistan
FTE	Full-Time Equivalent
GAP	Good Agricultural Practices
GDA	Global Development Alliance for Strengthening Market Chains for Afghan Grapes and Pomegranates
GDP	Gross Domestic Product
GHP	Good Hygiene Practices
HACCP	Hazard Analysis Critical Control Point
HLP	Horticulture and Livestock Project
IDEA-NEW	Incentives Driving Economic Alternatives for North, East and West
IP	Implementing Partner
KI	Key informant
MAIL	Ministry of Agriculture, Irrigation and Livestock

NEPA	National Environmental Protection Agency
NGO	None Governmental Organization
RADP-N	Regional Agricultural Development Program North
RADP-S	Regional Agricultural Development Program South
RADP-W	Regional Agricultural Development Program West
RAMP	Rebuilding Agriculture Markets Program
SOW	Scope of Work
UK	United Kingdom
USAID	United States Agency for International Development
USD	United State Dollar
VFU	Veterinary Field Unit
WTO	World Trade Organization

I. EXECUTIVE SUMMARY

1. BACKGROUND TO THE STUDY

The United States Agency for International Development (USAID) has been the largest donor to Afghanistan's agricultural sector, having provided more than $2.3 billion since 2002 – an average of $177 million per year for 13 years. Support to agribusiness has been an important component of this support. Given the substantial investment in agribusiness and the amount of time lapsed in which businesses have had the opportunity to survive, thrive, or flounder, it is worth taking stock of what has been accomplished, what has worked in supporting agribusiness, and what has not.

This study aims to accomplish two main purposes: (1) to provide an updated snapshot of the status of agribusinesses supported by USAID in the past, and (2) to inform the design of future USAID interventions, and the Agricultural Assistance Support Strategy.

2. ASSESSMENT QUESTIONS, DESIGN, METHODS, AND LIMITATIONS

This study set out to answer the following five assessment questions:

1. What difference did USAID's interventions make to the agribusinesses that received support?
    a) How many are still in business, and how are they performing?
    b) What role did USAID support have on the performance of these businesses?
    c) What was the role of external factors?
2. Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?
3. Through support to these agribusinesses, what difference did USAID's interventions make to women's access to and participation in agricultural value chains?
4. What support appears most successful in establishing and/or strengthening agribusinesses, and under what conditions?
5. What support appears least successful, under what conditions, and why?

To answer these questions, the study employed a mixed methods design, using comparative analysis of a purposively selected sample of 47 previously supported agribusinesses that received support from one or more of six completed USAID agricultural projects. The selected businesses represent a range of different agribusiness types, including input suppliers (specifically veterinary field units, agricultural depots, and farm service centers), commercial farms, orchards, nurseries and greenhouses, cold storage facilities, processors (including packing houses), and traders. Several training centers were also included.

Site visits and interviews with business managers from the selected businesses were complemented by the following data sources: document review, phone surveys with aagricultural

ddepots (AgDepots), veterinary field units, and farm service centers, key informant interviews with former project staff, relevant government officials, producer associations, chambers of commerce, other project staff or business people with relevant expertise, and interviews or focus groups with suppliers and/or customers of the selected agribusinesses, where possible. Data was then analyzed at three levels: per individual business, by type of business, and across all businesses.

Limitations to the study include likely response bias, lack of access to full business records, insecurity, which limited movement to business sites, and attrition of information available for older projects. In addition, because the study does not include a formal random sample for all businesses that received support, generalizations to this population must be made with caution.

3. Findings And Conclusions

Findings are presented in response to the assessment questions. In answering these questions, numbers four and five have been combined, as they can be best addressed through a single response (i.e., the same factors are relevant to both success and failure).

1. What difference did USAID's interventions make to the agribusinesses that received support?

a) How many are still in business, and how are they performing?

Of the 47 businesses included in this study, 27 (59%) were in operation and generating some profit at the time of the study. Breaking this down further, 19% were making marginal profits – just enough to survive, and the remaining 40% appeared to be making enough profit to be fully stable, or, for the top 17%, with a good likelihood that the business would expand. This sample is not representative, but gives a sense of the range of business outcomes.

b) What role did USAID support have on the performance of these businesses?

In the sample of 47 agribusinesses, the study team determined that USAID support appeared to be moderately or highly effective for about half. This meant that the business had survived, and that USAID support appeared to have played a moderate to major role in both its survival and its functioning.

The types of support given by USAID were quite similar across all of the projects, and typically included a combination of support, often administrated through a written agreement. In almost all cases, support included an in-kind grant of equipment, inputs, and sometimes infrastructure. This was typically augmented by training (on business-related topics such as marketing and bookkeeping and/or technical issues such as how to apply pesticides); technical support and advice; and, for about half of the businesses, help in linking to markets.

The effectiveness of USAID support is best summarized by business type:

- **AgDepots:** While many AgDepots have survived, ASAP's influence on their ability to deliver high-quality inputs, services, and advice appears to have been minimal in most cases.
- **Agricultural training centers:** Badam Bagh Research Farm was rehabilitated by the Accelerating Sustainable Agriculture Program (ASAP) to good standard, but the Ministry of Agriculture, Irrigation, and Livestock (MAIL) has not taken effective ownership and so it is largely underutilized.
- **Cold storage:** Attempts to support commercial cold storage ventures have generally failed, due to the high costs of running them. However, cold storage provided in the context of a processing business has worked when the business is well-managed.
- **Poultry farms:** The USAID-supported farms in this study were doing well, and USAID support appeared effective. There are also examples of successful non-supported poultry farms, especially in the East.
- **Farm Service Centers (FSCs):** USAID support appeared to have been moderately effective in helping already successful businesses expand their range of services. All three women's FSCs were out-of-operation.[1]
- **Greenhouses:** Success in supporting greenhouses appeared mixed, depending on the technical capacity of the owners.
- **Nurseries:** Many of the fruit tree nurseries established under Alternative Development Program- East (ADP/E) and Incentives Driving Economic Alternatives- North, East, and West (IDEA-NEW) program are reportedly running well and are profitable. The study team visited three, all of which are profitable.
- **Orchards:** Most commercial orchards established under ADP/E, and some under IDEA-NEW, failed due to the poor quality of budded saplings the projects procured.
- **Processing:** USAID support to processing companies has had mixed effectiveness, based in large part on the quality of management. Some initially promising companies failed after a few years of operation due to excessive debt, leaving them unable to cover their running costs.
- **Traders/Exporters:** ASAP had a program to support traders by connecting them to new export markets, which appears to have been successful for a number of them.
- **Veterinary Field Units (VFUs):** Numerous USAID projects have supported the Dutch Committee for Afghanistan (DCA) to establish VFUs. VFUs operate effectively on a for-profit basis and provide crucial services to rural herding populations. However, their

[1] A grocery store was functioning on the site of the Parwan Women's FSC, but there were no input sales or related services.

profits are not enough to allow them to grow or reinvest in their businesses, including replacing or upgrading equipment granted during start-up.

c) What was the role of external factors?

Business owners reported a litany of challenges, all of which are well-documented. These include the risk of drought, insecurity, lack of access to credit, smallholders' inabilities to produce with the quality, consistency, and volume required for export markets, low purchasing power of Afghans, weak support from the government, and numerous barriers related to transport and transit. In addition, the characteristics of the agribusinesses themselves, and particularly the management, are external to USAID support, but crucial to the support's effectiveness.

2. Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Failed businesses obviously failed to contribute to the local economy (except during the period they were in operation, which was usually brief). The remaining businesses created an average of about 23 full-time equivalent jobs, each attributable to USAID support. Larger successful processing companies, including Balkh Dairy and Omaid Bahar, provide much wider economic benefits by creating a market for their suppliers. A number of women-owned processing companies are also expanding, and these tend to engage a large number of suppliers and workers in more traditional, labor-intensive processing. Traders also can increase domestic market demand and the value of markets when they successfully link to new export markets. There are examples of traders making contract arrangements with farmers, and in some cases, even providing extension advice.

AgDepots and FSCs were intended to create value primarily for their customers. They have improved the availability of agrochemical inputs, but broad concerns about the quality mean their efficacy is often limited. In comparison, VFUs have been more successful in providing vaccines and medical care for livestock, decreasing mortality rates and thus increasing herders' wealth.

3. Through support to these agribusinesses, what difference did USAID's interventions make to women's access to and participation in agricultural value-chains?

The high failure rate amongst USAID-supported women's businesses appears largely due to poor design of these interventions. Women's businesses often appear to be an obligatory afterthought in project design, with little effort put into finding genuinely viable options.

Areas where interventions have worked well are those in which women already have a traditional role, including dairy, cashmere, and general processing activities.

4. **What support appears most successful in establishing/ strengthening agribusinesses, and under what conditions? Conversely, what support appears least successful, under what conditions, and why?**

The study found that USAID and its implementing partners have control over a large proportion of the factors that shape the degree to which a supported agribusiness will be successful. These can be classified under three areas: selection of the sector, selection of the business (or lead individual, in the case of a start-up) and, delivery of support.

Key factors related to selection of the sector:

1. The sector has commercial potential.
2. There are areas within the sector where support from development actors can add value and increase economic opportunities and benefits to Afghans.
3. Project staff has adequate knowledge of the sector.
4. The sector is sufficiently developed for short-term interventions, or else the project can link up with organizations that have a longer time horizon and can add value in targeted areas.

Key factors related to selection of the business (or lead individual, in the case of a start-up):

1. The management is proactive and has an idea about what they want and need.
2. The management is motivated and/or has an outlook that is compatible with the aims of the project support.
3. The business's management has adequate technical knowledge (or the capacity to gain this knowledge, and adequate support to do so, either through the project or elsewhere).
4. The business is a valid company, and not a shell company set up for the purpose of collecting aid funds.
5. The business has a valid need for support – i.e., the support will help the business to attempt something it would not be able to do without the support.
6. Particularly if the business is a collective or jointly-managed business, the administration and decision-making lines are clear and there is adequate trust for the business to function.
7. There are other sources of support available to the business, and the business is able to leverage these.
8. The business has or is able to develop adequate linkages to stable markets.

Key factors related to delivery of support:

1. The choice and quality of equipment or materials supplied or funded by the project are appropriate.
2. The project is able to provide support for a sufficient period of time to establish the intended capacity in the business (especially for start-ups). Or, if not, it is able to transfer responsibility to another agency.
3. The project is able to deliver appropriate technical support.
4. The project is realistic in what its support can achieve.
5. The project is able to and committed to achieving long-term objectives beyond just short-term deliverables.

6. The project is realistic about what the market can sustain.
7. Where aspects of business functionality require support outside of the market, the project identifies or develops appropriate channels for this support, and develops effective relationships between the businesses and the support mechanisms.

In conclusion, the study finds that while the surrounding environment for Afghan agribusinesses is harsh and some level of failure should be expected, many of the factors that determine the efficacy of USAID support to agribusinesses are within USAID's control. This means that USAID can take measures to increase the effectiveness of its support to agribusinesses.

4. RECOMMENDATIONS

Based on the findings, this study offers 16 recommendations to USAID, summarized here:

1. Project designs should clearly state how intended support to agribusiness contributes to achievement of strategic goals and outcomes.
2. While any future support should be based on up-to-date needs and feasibility assessments, as well as strategic goals, potential areas for further support include:
   a. Working with traders to link them to new markets;
   b. Addressing the quality of agrochemical inputs being sold by AgDepots and others;
   c. With caution, expand markets with further potential, such as cashmere;
   d. Focus on domestic markets, while considering if there are ways USAID can advise on the selective use of import tariffs to support local producers; and
   e. Consider revisiting previous efforts to establish a domestic source of packaging.
3. Investigate ways to expand support to low-cost, *sharia*-compliant finance.
4. Consider ways to address transport costs and challenges faced by agribusiness.
5. Continue to prioritize water management, as drought heavily impacts agribusiness.
6. Apply clearly defined criteria and vetting processes when selecting potential or existing agribusinesses to receive support.
7. Reduce the 'default' use of grants – i.e. only use grants when there is a clear strategy and rationale for doing so, and with appropriate safeguards against potential negative impacts.
8. Consider expanding indirect forms of support, such as improvements to regulations.
9. Consider blended models that include for-profit and subsidized elements for key rural services (following the VFU model).
10. Increase direct funding to well-established, long-term partners with strong reputations, external to projects/IPs.
11. Require all support recipients to define their own needs, and then assess their requests for viability.
12. Subject prospective support to women's businesses to the same feasibility assessments as other businesses.

13. Any projects to support or establish businesses should be designed in close communication with local representatives (from business, the government, etc.), to ensure that they are appropriate.
14. Project management should place greater emphasis on achieving long-term outcomes.
15. Create clear criteria applicable to all projects regarding the attribution of benefits (e.g., full-time equivalent jobs created, income generated, etc.).
16. Create complaint mechanisms external to project implementers and other anti-fraud measures.

II. INTRODUCTION

1. BACKGROUND TO THE STUDY

Afghanistan is classified as a low-income country, with a population of 31.63 million, and a 2014 gross GDP of $20.84 billion.[2] Agriculture is the main productive sector in Afghanistan and is the single largest source of livelihood for the majority of the population. The most recent National Risk and Vulnerability Assessment (NRVA) estimates that agriculture is the main income source for one third of households, and employs 40% of the workforce.[3]

Since 2002, international donors have made major investments in improving both agricultural production and market linkages. The United States Agency for International Development (USAID) has been the largest donor in the agricultural sector, having provided more than $2.3 billion since 2002 – an average of $177 million per year for 13 years.[4] One area of significant investment within this sector has been support to strengthening agribusinesses.

Despite the centrality of agriculture to Afghanistan's economy, and the substantive investment made by donors in a variety of projects and initiatives aimed to stimulate and rehabilitate agricultural markets, Afghans in rural areas often find agriculture to be a precarious and unfavorable way to make a living, and so the trend for most Afghan households has been to diversify out of agriculture. One major factor is low precipitation, combined with limited access to water sources. Weather conditions have major impacts on agricultural production and, through this, on the overall performance of the Afghan economy. Compared to neighboring countries, costs of production in Afghanistan are high, and the costs and risks associated with export are equally high. As a landlocked country with high production costs and comparative low

[2] Figures from the World Bank. See: The World Bank Data: Afghanistan http://data.worldbank.org/country/afghanistan (accessed November 28, 2015)
[3] NRVA 2011-12, p35.
[4] As stated in the SoW for this assessment.

production standards, Afghanistan is poorly positioned to compete in international markets. A major complaint from Afghans dealing with agricultural markets is that even domestic markets are flooded with cheap inputs from neighboring countries, leading to situations where farmers are forced to sell their produce at a loss.[5] As security deteriorates in much of the country and sources of investment dry up, the situation is not getting easier.

While agricultural products, and particularly dried fruit, make up the majority of exports, the overall value of exports from Afghanistan remains low. The Central Statistics Office's figures from 2013 (the most recent available) show net exports at $376 million, equivalent to just 6% of its imports for the same year, Afghan companies have difficulties in meeting international regulatory standards, and the Afghan government still does not have proper laboratory testing facilities and certification processes.[6] Afghanistan has had long-standing challenges in exporting efficiently through transit trade routes, due in part to corruption and the frequent stalling of goods along the way. While there have been efforts to institute improved transit-trade agreements, traders report that, to-date, these have made little difference to their experiences on-the-ground. On November 11, 2015, Afghanistan completed the process to join the World Trade Organization.[7] It is too early to know what impact, if any, this will have in practical terms for Afghan traders and exports, and for Afghanistan's domestic market.

The annual *Doing Business* rankings produced by the World Bank show that Afghanistan continues to be one of the most challenging places in the world to do business. While it is quite easy to start a business in Afghanistan, it ranks poorly in enforcing contracts, trading across borders, protecting minority investors, registering property, dealing with construction permits and providing electricity.[8] While a number of industrial parks were established in Herat, Mazar-i-Sharif, Bagram, and a few other key areas, many businesses have ceased their operations, reportedly due to poor security, high land lease rates, and the high costs of operation. Increasing numbers of businessmen are leaving the country, particularly because wealthy families are often the target of criminal gangs. For example, one wealthy businessman interviewed by the study team told the tragic story of his 17-year-old son, who was kidnapped for ransom. Although the businessman paid them a large sum, the kidnappers killed the boy anyway. Others reported having received threats and going abroad temporarily.

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[5] See the section titled "The Farming Context: Tenuous Livelihoods" pp15-17 from the "Agricultural Policy Constraints and Institutional Architecture Analysis for Agricultural-Enabling Environment in Afghanistan" study, Checchi 2014.

[6] Based on numerous key informant interviews. While MAIL issues phytosanitary certificates to exporters, these are not based on credible assessments of food quality, and so many countries do not recognize them.

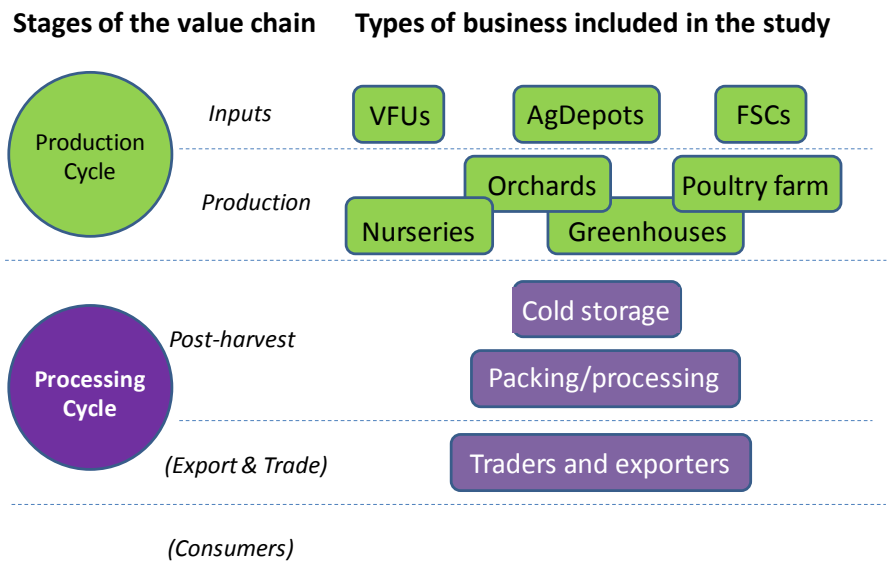
[7] See WTO, Accessions - Afghanistan https://www.wto.org/english/thewto_e/acc_e/a1_afghanistan_e.htm (accessed November 23, 2015) and Reuters, "Afghanistan gets clearance to join WTO", November 11, 2015 http://www.reuters.com/article/2015/11/11/us-wto-afghanistan-idUSKCN0T019020151111 (accessed November 23, 2015).

[8] See The World Bank, *Doing Business 2015: Going Beyond Efficiency Economy Profile 2015 for Afghanistan*. The 2015 rankings show Afghanistan as being in the middle of the rankings on access to credit and paying taxes.

Despite these immense challenges, there have also been many investments made, infrastructure built, and markets developed. As Afghanistan's transition period continues, this is a good time to take stock and see how agribusinesses are performing, and how USAID support has helped, and may help in the future. Despite the odds, some businesses have succeeded and a few have thrived. Some donor projects have managed to find ways to create sustainable economic benefits to rural populations through private-sector led or partnership models. Thus, this study aims to contribute to our understanding of what the situation is now, what seems to work best, and what the biggest needs and priorities are for agribusinesses seeking to survive in this context.

For the purpose of this assessment, we define agribusiness as any commercial entity within any part of the agricultural value chain, from inputs to production to processing to trade.[9] Excluded are small family farms with mixed production (for both sale and consumption), although purely commercial farms are included. A simple categorization of key agribusiness types that have been supported by USAID is included in Figure 1.

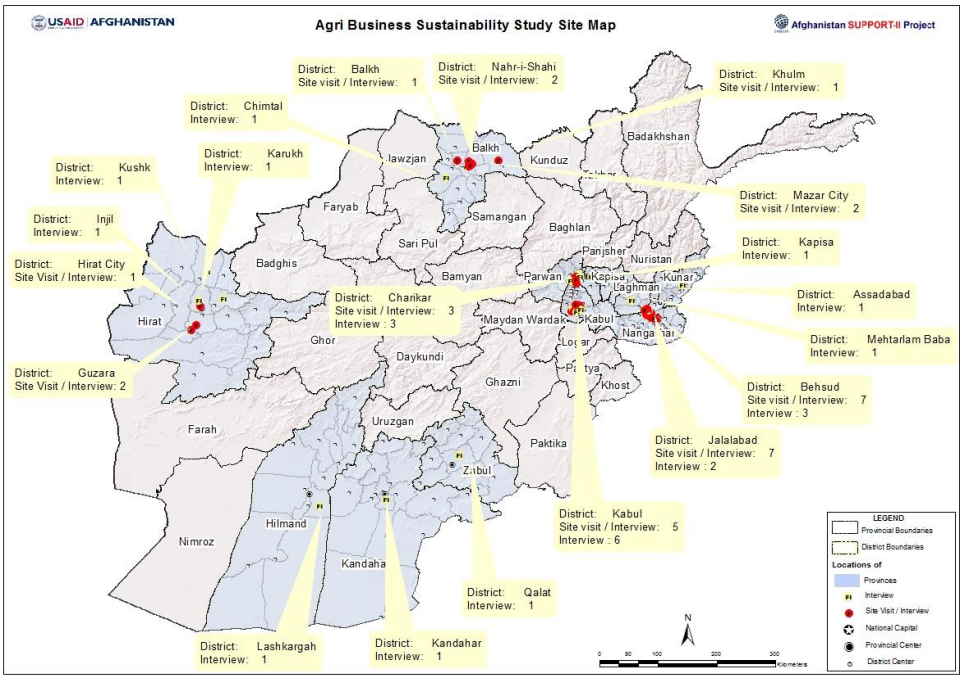
Figure 1: Agribusinesses Supported by USAID in Afghanistan



To complete this study, we assessed the status of 47 agribusinesses from across all of these types.[10] Each of these businesses had received support from at least one of six USAID agricultural projects, and we also assessed the role USAID had played in contributing to the businesses' current statuses. This was complemented with comparative and general data from a variety of sources (as described in the methodology section). The map below shows the locations

[9] Ownership of such entities can include sole proprietors, partnerships, corporations, cooperatives and state corporations.
[10] In addition, the Sukh Rod

of the businesses included, and notes whether the team conducted a site visit, or an off-site interview.



2. STUDY PURPOSE

Through this assessment, USAID wants to examine the sustainability of agribusinesses that have benefitted from USAID support in the past. Information gathered will provide an updated snapshot of the status of agribusinesses supported through past efforts, as well as insights and lessons learned that USAID can draw upon during the design and implementation of future efforts to support the agribusiness sector. It will also be used to inform the USAID Agricultural Sector Assistance Strategy, which USAID is currently preparing.

3. ASSESSMENT QUESTIONS

This study seeks to answer the following five questions (and their related sub-questions):

1. What difference did USAID's interventions make to the agribusinesses that received support?
    a. How many of the businesses in this study are still in operation? What have been the trends (before, during, and after USAID involvement) in terms of sales, number of employees, market share, etc. for these firms?
    b. How did USAID's support influence the capacity and ongoing operation of the supported businesses (e.g., innovation, new markets/products, resilience, and ability to solve emerging problems)?
    c. Were there outside factors that played a significant role in the sustainability of these operations?

2. Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?
    a. How much employment have the supported businesses generated?
    b. To what extent have the businesses supported had an impact on other businesses (e.g., suppliers)?
    c. Has USAID support to these businesses resulted in perceived multiplier effects to the economy?[11]
    d. Are there any observed or perceived negative impacts to the local economy because of the business? (e.g., unfair competition to other local businesses, unsatisfactory employment conditions)

3. What difference did USAID's interventions make to women's access to and participation in agricultural value-chains? (i.e., women's engagement as managers/owners, employees, suppliers, or customers). What has been the overall trend in women's engagement over time?

4. What forms of support appear to have been most successful in establishing and/or strengthening agribusinesses, and under what conditions?
    a. Which intervention strategies and processes appear to have been most successful?
    b. Were there characteristics of the agribusinesses and the contexts in which they were operating (value chain, location, etc.) that contributed to success?
    c. To what degree were the interventions able to meet their intended goals and why or why not?

5. Conversely, what forms of support appear to have been least successful and/or what conditions appear to have been most challenging, and why?[12]

4. METHODS AND LIMITATIONS

a. Overall Study Design

This study used a mix of quantitative and qualitative methods that allow for generalization to the broader population of agribusinesses supported by USAID projects, along with more in-depth insights related to what worked well and what did not in USAID's interventions.

It purposively sampled six projects of 17 completed USAID projects that have provided significant support to agribusinesses: Accelerating Sustainable Agriculture Project (ASAP),

[11] Examples may include the replication of interventions by other enterprises, general expansion of markets, or impacts on sectors due to the provision of goods and services (for example, increased use of machinery due to the creation of equipment production or maintenance firms)

[12] In preparing the responses to questions 4 and 5, it was found that it made sense to combine them, as success versus failure are determined by the same factors (e.g. good management versus poor management).

Alternative Development Program East (ADP/E), Afghanistan Farm Service Alliance (AFSA), Dairy Industry Revitalization Project for Afghanistan (DIRPA), Global Development Alliance for Strengthening Market Chains for Afghan Grapes and Pomegranates (GDA), and Incentives Driving Economic Alternatives for North, East and West (IDEA-NEW). These six projects are summarized in the table below.[13]

Table 1: USAID Agriculture Projects Sampled in Study

Program Name	Implementer	TEC	Life of Program	Active Provinces	Region/ Zone
IDEA-NEW	DAI	$159.88 million	Mar 2009-Sept 2015	Nangarhar, Kunar, Laghman, Kabul, Kapisa, Panjshir and Parwan	Center and East
ASAP	Chemonics	$ 132.67 million	2006-2011	Active in 34 provinces	All zones
ADP/E	DAI	$118.39 million	Feb 2005-Jun 2009	Eastern Region- Nangarhar	Eastern Region
AFSA	CNFA	$8.61 million	Mar 2008-Jun 2012	Kabul (2), Ghazni, Helmand, Kandahar, Laghman, Kunar, and Zabul (Phase One) and Nangarhar, Logar, Wardak, Parwan, Kapisa, Takhar, Kunduz, Balkh, Uruzgan, and Nimroz	Southern, Eastern and Central Regions
DIRPA	Land O'Lakes	$ 7.617 million	Aug 2004-Aug 2006	Balkh, Parwan	N/A
GDA	Mercy Corps	$ 2.08 million	May 2008-Oct 2012	Parwan, Kandahar	N/A

Collectively, these projects supported a large number of different types of agribusinesses. A complete list of all agribusinesses supported by these projects, with contact information, was not available. Therefore, the selection of agribusinesses included in this study was based on a combination of convenience/availability and purposive sampling. Namely, the study aimed to include agribusinesses that represent main business types from the different stages of the value chain that have received USAID support over the years, as shown in Figure 1 (in the Background section). In total, this study purposively sampled 47 agribusinesses that received support, representing each of the business types identified.[14]

In addition to the 47 agribusinesses, 23 businesses were included as 'comparators,' to broaden

[13] This table is reproduced from the initial Statement of Work for this study.

[14] In addition, a phone interview with the owner of the Surkh Rod Packing House was conducted. This business was started by RAMP and received support from IDEA-NEW. The analysis from this short interview was not included in overall figures presented in the report as it was conducted after the report was already drafted, due to delays in tracking down the owner, who had been travelling. It is described in the section on women's engagement.

the information base regarding how specific types of businesses were performing. These businesses were engaged in similar activities, but did not receive support from any of the six USAID projects that are the focus of this study. Thirteen of these reported having received no support, and ten had received support from other USAID projects, or from other donors. Comparative data from these were included in the analysis where relevant. The total selection of sample businesses and comparator businesses, by business type (of primary activity), is included in the table below. The purpose is to get enough information to be able to generalize about the sector. Key informant and documentary data also helped to this end.

Table 2: Types of Agribusinesses Surveyed

Business Type	# in Sample	Comparators[15]	Totals
AgDepot	5	0	5
Agriculture Training Center	2	0	2
Cold storage	1	1	2
Farm	2	2	4
FSC	5	0	5
Greenhouse	3	0	3
Nursery	2	1	3
Orchard	4	0	4
Packing/Processing[16]	13	16	*29*
Trader/Exporter	3	5	*8*
VFU	6	0	*6*
Totals:	*47*	*25*	***71***

The following chart summarizes the number of businesses included in the study that received support from each of the six projects. Because some businesses received support from multiple projects, the sum of businesses in the chart (62) is greater than the actual number of businesses (47).

[15] Two comparator companies fell into two categories of primary activity. All sample businesses were categorized according the main activity considered for the purposes of this evaluation, although a few were also engaged in multiple areas (e.g. processing and export).

[16] The packing/processing category was further broken down in the analysis stage into the following subcategories: dairy, cashmere, fruit/vegetable, women-owned processors, and other (packing materials, textile).

Table 3: Agribusinesses Surveyed, by USAID Project Support

Project	# Biz	Description of Businesses Included
ADP/E	6	Orchards, greenhouses, nurseries, poultry farm, and a packing factory
AFSA	6	5 FSCs plus rehabilitation support to a set of women's greenhouses in Parwan
ASAP	19	VFUs, AgDepots, women's greenhouses, cashmere factory, juice factory, and traders/exporters
DIRPA	3	Balkh dairy plant and two dairy microprocessors in Parwan
GDA	2	Fruit packing/processing plant and a raisin growers' association
IDEA-NEW	17	VFUs, orchards, nurseries, greenhouses, poultry farms, packaging material factory, food processing company, textile factory, and women-owned agri-processors
Other	9	VFUs also received support from RAMP, and now from the RADPs. CHAMP, ASMED, ABADE, FAIDA, and ADF/SW also provided support to some of these companies. Some companies received loans through ADF/ACE. Some companies received support from other donors and projects, including CARD-F (Department for International Development), the Food and Agriculture Organization (dairy and livestock projects), and others. The extent of this is not fully documented in this study, but appears substantive.

b. Data Collection Methods

This study used the following data collection methods:

- Document review of all project-related documents, including work plans, reports, and evaluations
- Phone survey of a random sample of ASAP-supported agriculture depots (AgDepots)
- Phone survey of a random sample of ASAP-supported veterinary field units (VFUs)
- Phone interviews with FSCs for which contact information was available
- Profiles of 47 agribusinesses, including site visits where possible and management interviews[17]
- Key informant interviews with relevant government officials, producer associations, and chambers of commerce
- Key informant interviews or focus group discussions with suppliers and/or customers of the above agribusinesses where possible
- Key informant interviews with implementing partners associated with past or current USAID projects supporting agribusinesses

c. Method of Analysis

The analysis consisted of three main phases:

1. Assessment of individual businesses

[17] Some site visits may be substituted with phone interviews or in-person interviews with management off-site due to security concerns – especially in Nangarhar.

2. Assessment of businesses by type
3. Assessment across all businesses

Assessment of Individual Businesses

Each agribusiness in the study was assessed using all available source data. This included project reports, evaluations, site visits, management interviews, key informant interviews, and interview or focus groups with customers and/or suppliers.

Based on this data, one member of the study team completed a scorecard assessment for the business using a set template entered into a database. These findings are based on scorecard assessments completed for all the businesses. These assessed four key areas:

1. Profitability
2. Operations
3. Contribution to local economy
4. Contribution to women's engagement in the value chain

Each of these areas contained three-to-five specific sub-points, assessed independently, which then led to a final overall assessment for that area. For example, under operations, the first point is "Management appears competent." Based on available evidence, the assessor scores 1 (low) to 5 (high), and also assigns a level of certainty (low, medium, or high), depending on how clearly the evidence supports his/her judgment. A second team member then reviewed the assessment to clarify it and provide inter-rater reliability. A copy of the full assessment criteria is available in the annexes.

In addition, the scorecards assessed the degree to which USAID had provided support to the business, and the effectiveness of this support. This allowed for a cross-analysis of business effectiveness with USAID effectiveness, i.e., a business might succeed independent of USAID support, and USAID might provide a high level of support to a business that nonetheless fails. Categorizing business performance across these two dimensions (success and support) allows for a comparative qualitative analysis of the factors responsible for the success and failure of these businesses.

Analysis of Overall Results by Business Type (and Project Intervention)

After the individual business assessments were complete, the findings were analyzed by business type. A key purpose here was to take the results from the individual business cases and compare them with more general sources of information – such as a key informant comments or previous studies on a particular type of business or sector (such as AgDepots or dairy processors, for example), to make broader claims about the performance of different groups of businesses. These reports were completed using a common template and are available in the annexes, providing additional detail to the analysis in this main report.

Analysis of Overall Results across Business Types

The final level of analysis draws on the full database of assessed businesses, along with the analyses by business type, and sought to identify overall patterns and key issues across all the agribusiness, in order to answer the five study questions. The result of this analysis is in the findings and conclusions sections of this report.

d. Limitations and Mitigation

From the outset, the team recognized that this assessment was faced with a number of predictable limitations. These include:

- Response bias: Businesses that previously received assistance and stopped may wish to receive more support and are likely to answer in the ways that they believe will lead to such support (rather than the ways that may most accurately reflect their current situations)
- Privacy: Businesses can be very private about their financial health, and may not wish to share their financial details with the assessment team.
- Insecurity: The prevailing security situation across the country is poor, and is in flux. This limited the team's ability to visit businesses and biased the selection of which businesses to visit.
- Attrition of information over time: For those businesses that received support a long time ago, and for businesses that failed/dissolved or relocated, follow-up may not always be possible.

The team took all steps possible to mitigate the above limitations by including a larger target sample of businesses than they intended to actually visit (to allow for attrition and security limits), triangulating information sources as broadly as possible (through methods and data sources), by using phone interviews and off-site interviews when site visits were not possible, and by seeking ways of asking businesses for performance information that would not be considered too invasive (e.g., asking about trends and general figures rather than exact figures, etc.).

During the analysis, the team explicitly considered the level of certainty with which it was making judgments. In most cases, the team did not directly talk with suppliers or customers, or assess the quality of goods or services (other than visually during site visits). In no cases did the team have direct access to financial information. This means most findings are based on circumstantial and anecdotal evidence, although triangulated as much as possible.

The study was able to address limitations and meet the study objectives fully, as according to the initial work plan. However, findings should be interpreted with the knowledge that many aspects of business operations were not directly observed by the study team.

III. FINDINGS

These findings are based primarily on an analysis of the performance of 47 agribusinesses included in this study, in conjunction with key informant interviews, focus group discussions (FGDs), assessments of comparator businesses, and secondary information. These 47 businesses received support from at least one of six completed USAID projects (ASAP, IDEA-NEW, AFSA, GDA, ADP/E, and DIRPA).[18] Before presenting the results, it is important to note that the businesses included in this study represent a purposive sample rather than a formal random sample.[19] This allows us to draw conclusions about the reasons behind the success or failure of these supported businesses, but not about the overall prevalence of success and failure across all USAID supported businesses.

As described in the methodology section, each business was assessed under four main areas: profitability, operations, contribution to local economy and support to women's engagement in agricultural value chains. Profitability is also taken as a proxy for overall business success; i.e., if a business is not profitable, its other virtues are of limited impact, since it will not be in existence long (unless it is a subsidized venture, rather than a true business). Under operations are management, human and physical resources, sufficient infrastructure, links to markets, and provision of goods and services to the market place. These provide the foundation for a company's profitability, and are also the areas to which USAID support is most immediately relevant. That is, USAID support usually takes the form of some combination of training on management and technical issues, business planning, in-kind grants towards equipment and infrastructure, support with market linkages and promotional materials, and technical advice. If the business operates profitably, it can sustain itself and have a broader impact on the local (or national) economy, including on suppliers and employees (job creation), and through its products and services and any potential it may create for further value-addition. Women's engagement within the economy can be seen as a component of the local economy that has received special attention across USAID projects.

Thus, profit and operations constitute the 'bread and butter' of this study, but we have also sought to include information on broader local economic impacts, including women's engagement. This is because the potential of increasing positive impacts on the economy is usually the prime reason for USAID's interventions to agribusinesses.

[18] See the methodology section for more details on the selection process and rationale.

[19] With the exception of phone surveys conducted for AgDepots and VFUs, for which we were able to get a nearly complete contact list of supported businesses, and call a random sample of them to determine whether they were still in operation. For FSCs, we were also able to verify the status of existing businesses with the FSCAA and other key informants to a reasonable degree of certainty.

Findings are presented according to the five assessment questions. The answers to the last two questions have been combined into one section for easier readability. Reports on each business type are also included in the annexes.

1. What difference did USAID's interventions make to the agribusinesses that received support?

This first assessment question focuses on the performance of agribusinesses within the study (i.e., their profitability and operations), and the degree to which USAID support helped these agribusinesses.

a. Number of supported businesses still in operation, and performance trends

As the sample of 47 businesses is not representative, their survival rate and performance is not directly generalizable to the overall population of businesses supported by USAID projects. Therefore, the study team gathered additional evidence to assess the general performance of agribusinesses that received support from USAID, focusing on each category of agribusiness (as shown in Figure 1) separately. Additional evidence includes interviews with comparator businesses and with key informants who were able to comment on the general performance of different business types and interventions. For VFUs, AgDepots, and farm service centers (FSCs), the team was able to conduct additional telephone surveys and interviews. Findings are based on triangulation of these sources. Key findings are summarized in the table below. In addition, full reports on each business type are available in the annexes, which provide much greater detail.

Table 4: Summary of Findings of Business Sustainability by Business Type

Business Type	Findings on General Sustainability/Profitability
AgDepots	There were 370 AgDepots supported under ASAP; 139 were new start-ups and 231 were expansions or rehabilitations of existing businesses.[20] Of these, about 88% were still in operation at the time of this study, with a higher failure rate estimated for start-ups.
Agriculture training centers	Agricultural training centers are only sustainable at present through donor funding (usually for specific trainings) or through government ownership. The Ministry of Irrigation, Agriculture, and Livestock (MAIL) has taken little ownership of Badam Bagh, meaning it is underutilized.
Cold storage	Commercial cold storage units are prohibitively expensive, mainly due to high electricity costs, and are extremely hard to run at a profit. They are in constant demand, leading to many having been built by various donors and then not used. Including cold storage as part of a cold chain/integrated processing

[20] Figures drawn from ASAP reports.

	business has worked successfully (as with Omaid Bahar, VFUs for vaccine storage, etc.).
Poultry farms	This study included three poultry farms, one of which had not received support, and all three were doing well. Small-scale 'backyard poultry' initiatives for women have not been able to compete (according to KIs). The poultry business in the East is robust, reportedly in part due to the successful lobbying efforts by poultry business owners to convince local governors to block competing Pakistani imports.
Farm Service Centers	Eighteen FSCs were established by AFSA. While our non-random sample included a high rate of failure (mainly due to the inclusion of all the women's FSCs), the overall success rate appears to be quite good: the Farm Center Association of Afghanistan reports that 15 of the 18 original FSCs are still in operation, with some of them having expanded.
Greenhouses	Greenhouses have the potential to create profitable business by producing planting materials for farmers and/or vegetables in the off-season. However, they require enough technical knowledge to run properly. In the cases of ADP/E and ASAP, results were mixed with a high rate of failure, largely due to the limited technical capacity of those managing the greenhouses. Women-run greenhouses have had a particularly high failure rate.
Nurseries	ADP/E helped to establish 226 fruit tree nurseries in the Eastern region, and IDEA-NEW continued to support these, including 45 private commercial nurseries. The study team visited three nurseries, which were all well-managed and profitable. This seems generalizable, based on the information we have. However, IDEA-NEW also supported 68 women-run nurseries as 'backyard businesses,' and these reportedly stopped at the end of the project.
Orchards	Orchards have the potential to be profitable, but this depends on the quality of saplings, the selection of a market oriented variety appropriate to the ecological zone, and proper care. Under ADP/E, many orchards were established but the quality of saplings was so poor that they did not produce fruit of marketable quality. Under IDEA-NEW, results have been mixed, with some orchards producing extremely poor-quality fruits, and others apparently successful. A key here is that there is now improved availability of certified budded saplings than in the past.
Packing/Processing[21]	
Fruit & vegetable	Fruit and vegetable processing plants appear to have good potential, with their success depending mainly on the quality of their management, their ability to procure good quality machinery, and a reasonable location. However, industrial parks established by AISA appear to be abandoned by many businesses – reportedly due to high overhead costs (such as land lease rates) and poor security.
Dairy	Balkh Dairy is not the only successful dairy plant that has been established: both local demand and supply for milk are good in many regions of the country. The key, according to KIs at the FAO, is establishing the chain from the farmer up and creating effective dairy unions.

[21] The packing/processing category was further broken down in the analysis stage into the following subcategories: dairy, cashmere, fruit/vegetable, women-owned processors, and other (packing materials, textile).

Women-owned (fruit, vegetable, dairy)	Because harvesting and processing is traditionally a woman's activity, numerous women have established small-scale processing operations based on traditional methods. Some of these have managed to leverage donor support to increase and improve their operations, and this appears to be the most dynamic area for women's engagement in agriculture. Overall, success rates are hard to gauge, but most women seem to start small and build as resources allow, meaning that start-ups tend to be low risk and informal, if constrained.
Cashmere	The Herati Cashmere and Skin Processing Company was the first de-hairing plant in Afghanistan, so there is no comparator. As it requires a high level of capitalization to establish such a business, it is not completely clear whether failure was due to mismanagement or underinvestment. The potential benefits of such a business to Afghanistan remain high.
Trader/Exporter	Export of dried fruits is a traditional business in Afghanistan, and there are numerous examples of successful and well-established traders. It appears that ASAP was able to introduce these traders to new markets and new methods of export that were beneficial to them. The extent of benefits and the degree to which traders were able to sustain gains after the project remain unclear on a broader scale.
Veterinary Field Units (VFUs)	VFUs were set up by DCA, starting 23 years ago. They run as a network of privately-owned for-profit businesses. VFUs typically manage to cover their basic running costs, but do not generate enough profit to cover capital costs, such as equipment upgrading. In practice, DCA is still supporting VFUs through trainings, some technical support and small monthly stipends. Based on our phone survey, the vast majority of VFUs that still receive this support remain operational.[22]

Having presented a snapshot of the status quo of business performance based on available evidence, we now turn to a more detailed assessment of the sample of 47 supported agribusinesses to help us identify and understand the factors that led some businesses to fail and others to succeed.

Of the 47 businesses included in this study, 27 (59%) were in operation and generating some profit at the time of the study. Assessments of each business's performance further breaks down the businesses into five categories, based on their level of profitability, as shown in Table 5.

This sample shows a wide range of business outcomes, which allow us to compare and draw qualitative lessons in this study. As such, we now consider these businesses grouped into three categories: Good Performers, Middling Performers, and Poor Performers, and consider the characteristics and key factors influencing the businesses in each of these categories.

[22] See the annex on VFUs for more details. Our phone survey found 95% of VFUs were still functional. However, a large number of VFUs started in the South of Afghanistan near the end of the ASAP project (at ASAP's request) then lost funding support soon thereafter, when ASAP ended. Including these, the survival rate of VFUs is about 65%.

Table 5: Agribusiness Profitability Scores

Profitability		Businesses	
Score	**Description**	**#**	**%**
1	Out of business	15	32
2	Imminent danger of going out of business	4	9
3	Operational with marginal levels of profit	9	19
4	Good profit margins, stable	11	23
5	Excellent profits, expanding or likely to expand	8	17
	Total	47	100

Good Performers (Scored 4 or 5 on profitability)

Nineteen businesses, or 40% of the sample, scored a 4 or 5 on profitability. This indicates that, based on the available evidence, the study team judged these businesses to be profitable and, for the strongest of these, likely to expand operations (or are in the process of doing so).

Of these 19 businesses, seven are processors, three are traders (one imports seeds and inputs, the other two export fruits), two are poultry farms, and there are also two AgDepots, a VFU, a nursery, a small orchard, a greenhouse, and a training center (which also includes commercial farming activities).[23]

These businesses are located in all the regions included in this study (except the South, which had only one business in the study). In other words, there was no region that appeared more prone to failed businesses.

Some of the shared characteristics of this group are:

- They are all operating businesses that appear to have broader viability (i.e., there are examples of similar businesses succeeding outside of the sample in most cases.)
- They all seem to have competent management.[24]
- Most had been existing businesses prior to USAID intervention, or else the managers/owners had experience in conducting similar/related businesses.
- A sizable number of them appear successful at leveraging other donor support, or getting other forms of support. For example, one successful woman-owned business was also a

[23] The training center (Nangarhar Agricultural Training Center), is included as it received support under IDEA-NEW. This business conducts a range of activities, including providing agricultural training which is entirely donor funded, as well as running for-profit greenhouses, orchards, and a dairy farm.

[24] Based largely on the team's assessment during the interviews. However, this point can be somewhat circular as we take the profitability of the business as evidence of good management.

long-standing member of a businesswomen's mentorship program (Peace through Business).

It is interesting that only three of these companies are engaged in export (two fruit exporters and a fruit juice company, which produces for both domestic consumption and export). The rest are serving domestic markets only, although a few more hope to get into export.

Middling Performers (Scored 3 on profitability)

Nine businesses in our study sample (19%) scored 3 out of 5 on profitability, suggesting that they are able to eke out a sufficient income to survive, but might have problems meeting capital expenditures (especially where they received equipment grants on start-up).

These businesses included five VFUs, two AgDepots, one FSC, and one fruit tree nursery. Most of our VFUs fell into this category, and half of our AgDepots. It appears that most existing VFUs and AgDepots fall into this category – they are able to make an adequate living through sales to local farmers and herders, but do not tend to hire staff beyond an occasional family member, and do not tend to reinvest in their businesses. Because many of these businesses were given start-up grants in the form of equipment, this creates some risk insofar as their long-term ability to maintain their businesses' performance is not guaranteed.

The FSC in this category is part of a larger agricultural company involved in broader trade and export. It had experienced some contraction (i.e., had laid off workers), a situation that the owner blamed on the poor overall economic situation, as well as a specific problem the company ran into several years ago when renting out a government-owned cold storage facility to store apples for resale. The owner reported the market was flooded with cheap Iranian apples and he was unable to recoup his costs.

Finally, the citrus nursery, located outside Jalalabad, is making a modest profit selling to the local market, but reported that prevailing market conditions are difficult.

Poor Performers (Scored 1 or 2 on profitability)

Nineteen businesses in this study (41%) were either entirely out of business or, in the case of two, on the brink of closing, or nearly defunct. These included six processors, four FSCs, an AgDepot, two greenhouses, three orchards, a commercial cold storage unit, a trader, and a training center.

Some of the common characteristics in this group include:

- They were more likely to have been started by a USAID project, rather than to be pre-existing.
- In many cases, their viability appeared poor from the outset due to high costs versus likely profits or a mismatch with market demands.

- Often (but not always) the business owner did not have a sufficient business or technical background or experience.
- In some cases, the business owner had appropriate experience, but did not appear fully invested in the business's success.
- In cases where they were started by a USAID project, sometimes the project supplied poor-quality equipment or inputs, which negatively affected the business's success.
- Smaller businesses experienced a higher rate of failure, as shown in Table 6. This finding is perhaps not surprising, as we would tend to expect that small businesses are less well-established and more fragile.
- They over-relied on grants to sustain business.

Table 6: Rate of Business Failure Categorized by Business Size

Business Size:	# in Sample	# Failed	% Failed
Micro (<5 employees)	22	11	50
Small (5-19 employees)	16	7	44
Medium (20-99 employees)	6	1	17
Large (>99 employees)	2	0	0
All	47	18	39

In summary, a large proportion of the failures in this group appear linked to poor decision-making and implementation on the part of the USAID projects that supported the businesses. This is a subject that will be further described and analyzed and later in this report.

There were two notable cases where the USAID support given appeared to have been largely reasonable and well-delivered, the owners appeared well-motivated, but the businesses still failed. In both of these cases, the businesses appeared viable, and even quite promising at the end of the projects, but ran into problems sometime thereafter. In both cases, the eventual failure appears to have been due to overly rapid accumulation of debt before the businesses were sufficiently established to service them, overwhelming the businesses' cash flows.

One of these businesses is the Herati Cashmere and Skin Processing Factory, which received support from ASAP in 2011. It was a pre-existing goat skin scouring and cashmere cleaning plant, and ASAP provided it with a line of de-hairing equipment for further processing the cashmere (to the point where it was ready to be spun). ASAP also provided it with training on maintaining the equipment and helped it with promotional material and market linkages. The owner of the plant was able to leverage this support to win contracts from international buyers. He made a business agreement with an American woman who set up a fair trade wholesale outlet for yarn produced by the factory, and also had sales agreements in the UK, Italy, and China. The business expanded rapidly right after ASAP's closure, opening a second factory in Faizabad along with a carpet factory in Kabul. However, it ran into financial problems repaying a loan of $5 million to a commercial bank. Its cash flows were overwhelmed to the point that it could no

longer buy raw cashmere, and so halted its operations in the spring of 2015. At the point of this study, the owner was seeking to leverage more funds, but it was unclear whether he would succeed, and the business was at a crisis point.

The second of these businesses is the Al Riyaz Packing Factory. Established in 2007 with the support of IDEA-NEW, it filled a critical need for local processors by creating packaging. It sold cardboard boxes to exporters, which were reportedly of good quality. It went bankrupt in 2011, when the land lease came up for renewal and the landlord demanded a rate six times higher. The business had also taken on significant debt early on, with a loan for $400,000 (from ARFC).

b. Influence of USAID's support on the capacity and ongoing operation of the supported businesses

In our sample of 47 agribusinesses, the study team assessed that USAID appeared to be moderately or highly effective for about half. This meant that the business had survived, and that USAID support appeared to have played a moderate or major role in both its survival and its functioning.

USAID project support aims to improve the capacity and ongoing operation of supported businesses. For some projects, the support aimed to expand business products and services. For example, ASAP support to AgDepots aimed to improve the quality of inputs and advice they were able to give to farmers.

The types of support given by USAID were quite similar across all of the projects. They typically included a combination of support, often administrated through a written agreement. In almost all cases, support included an in-kind grant of equipment, inputs, and sometimes infrastructure. This was typically augmented by training (on business-related topics such as marketing and bookkeeping, and/or technical issues such as how to apply pesticides); technical support and advice; and, for about half of the businesses, help in linking to markets. This could take the form of sponsorship to attend an agriculture fair or international trade convention, support with developing marketing and promotional material, or sometimes making a direct link to a buyer.

Before considering the influence that USAID support has had, it is worth reviewing the general state of operations among the sample businesses. The study team assessed operations for each business under the following five points:

- Management appears to be competent.
- The company appears to have adequate technical capacity.
- Product quality and quantity appears sufficient for its markets.
- The company's links to markets (and potential markets) appears to be good.
- The company appears able to address existing or likely future risks to its operations.

Overall, businesses scored highest on management competence (with an average score of 64%), and lowest on the company's ability to address existing or likely risks to its operations (with an average score of 50%). The reasons for the low scores on this point include that risks appear substantive and difficult to control (e.g.., insecurity, poor economy, delays at border crossings, etc.), and many companies report having limited access to capital. In the grant-giving atmosphere, most business owners prefer avoiding bank loans, which require collateral and high interest rates, are short duration, and take too long to process. They prefer to do without loans, finding other forms of credit through informal means if possible, or avoiding expansion or investment, or simply paying up front.

The second area of greatest weakness was 'product quality and quantity appears sufficient for its markets.' Many businesses reported that they had problems securing good-quality supplies. For AgDepots, they could not guarantee the quality of their inputs, as they were buying in the open market, where unregulated and frequently mislabeled goods are sold. Processors typically buy from many small-scale suppliers, who they noted were generally not market-oriented. This has led to high variability in the quality and overall characteristics of their produce. For example, if a trader wants to export fruit to a market with phytosanitary requirements, he must export a sample for testing because Afghanistan does not contain the laboratory facilities to conduct most of the required testing. But when supply lines are so variable, even if the sample meets the requirements, the full shipment may not. This creates great risk, and means the trader must attempt to set stricter standards on his (or very rarely, her) suppliers, and also give them the means to meet these requirements (e.g., extension and inputs). This is best achieved through contract farming arrangements. Such arrangements are reportedly very rare in Afghanistan, although a few traders and export-oriented processors are doing so, or attempting to set them up. The difficulty in procuring certain types of inputs, at a reasonable quality and price, the difficulty in finding land, and the high cost of electricity were also commonly-cited barriers to effective operations.

These sorts of concerns were broadly shared by businesses. USAID's support has attempted to address all of these concerns to some degree, and there is clearly room for the businesses in question to further develop on all fronts. In considering the specific influence of USAID support, it is best to consider the evidence for each type of business.

Agriculture Depots

ASAP's intervention was intended to increase the capacity of AgDepots, deliver quality advice and training to farmers, as well as to procure quality inputs. It does not appear to have been successful with either of these, as the mechanisms by which ASAP intended to achieve these

were not functional, and both were widely noted to be areas of continued concern.[25] A few AgDepots have gone on to receive further support, including training, from IDEA-NEW or other projects.

ASAP contracted a private company to establish new AgDepots and rehabilitate existing ones. An association (called Durokhshan Association) was established for this purpose under the Noor Brothers Group of Companies. It selected AgDepots and prospective new AgDepots, and delivered all equipment, as well as inputs from its parent company's importing activities. There were widespread complaints about the quality and suitability of the equipment. Several key informants, including former ASAP staff, explained that Durokhshan provided cheap equipment at inflated prices, making substantial profit at the expense of the project and the farmers. They did the same for inputs, charging USAID prices that were far above market rates. According to ASAP staff, Durokhshan was supposed to continue past the project as a member-led support organization, but it stopped operation when project funding ceased. AgDepot members have elected a new president and attempted to revive it, but do not have resources to do so. The initial concept that AgDepots would be linked together into regional associations and a national association, which would help them in negotiating group rates and maintaining quality on inputs, did not materialize.

ASAP also provided some management training to AgDepots and technical training on the correct usage of agrochemicals. This was done independent of Durukhshan and AgDepot owners report the training was useful. However, the training was short-term, and both former trainers and other key informants expressed concerns about the knowledge levels of AgDepot owners, who in many cases are reportedly selling poor quality products and giving incorrect advice, leading to massive over-application of agrochemicals.

Finally, ASAP had planned to establish links between the AgDepots, MAIL and regional DAIL extension offices, and farmers, for the purpose of providing a channel for ongoing extension. The final evaluation found this had not happened. In this study, all DAIL officials reported there had been no communication between their offices and the AgDepots.

ASAP helped to establish about 139 new AgDepots, most of which reportedly failed. We cannot truly attribute success or failure to USAID support due to the fact that many "AgDepots" are successfully functioning in the market place without any donor assistance. While there were some reported quality issues with these, amongst those that are still continuing owners were

[2525] This was noted by farmers using AgDepots in focus groups, former trainers hired by ASAP to work with AgDepots, and key informants familiar with AgDepots.

particularly grateful for USAID's assistance, which they credited with helping them make a livelihood.

Agribusiness Processors

This is the most diverse group of businesses, characterized by medium to large sized operations that needed slightly larger levels of capitalization in the form of specialized equipment and a reasonable electricity supply. All six of the projects had supported at least one agribusiness-processing company. The study team found that USAID interventions in the agribusiness-processing sector can best be characterized as having mixed results.

Results appear to be largely dependent on the experience, abilities, and track record of the local manager of the company prior to receiving the assistance. When successful and experienced local businesspeople requested specific assistance as part of a self-generated business plans and received it, they are more likely to be successful than a start-up company that was created by a USAID project and managed by a person selected by the project with limited or no commercial track record of success. The USAID interventions were all in sectors that are logical for the Afghanistan market and should conceivably do well.

Cashmere Processing

ASAP worked with Herati Cashmere and Skin Processing Company, which had existing facilities for washing cashmere (as a sideline of its well-established skin-processing business), and introduced a de-hairing line. This allowed Afghanistan to export properly-processed cashmere for the first time, and to spin, weave, and knit cashmere products for extra value-addition. ASAP also provided indirect support to the company, and overall support to the cashmere sector, by working with cashmere producers (mainly through DCA) to increase the quality and availability of raw cashmere. ASAP also paired up with some other donors (including the World Bank's Horticulture and Livestock Productivity project) to bring in a Mongolian cashmere expert who assessed the quality and potential of Afghan cashmere.

Direct support included the provision of the de-hairing equipment as well as marketing support, mainly through sponsoring the owner's participation in various international trade shows.

The support given appeared to be of good quality and appropriate, and the initial prospects for the company at the end of the project (in 2011) appeared very positive. However, by early 2015, the company's debt was overwhelming its cash flows and it was forced to cease operations. This appears due to some misjudgment on the part of management. In addition, cashmere processing is an area that requires high investment: other cashmere traders were reportedly reluctant to work with ASAP for this reason.

Dairy Processing

All three dairy centers in this study were supported by USAID: two micro processing centers in Parwan and Balkh Dairy, a mid-sized plant just outside of Mazar-i-Sharif. In all cases, the equipment provided appeared to be appropriate and of good quality. The key difference was in the management structure. The two microprocessors were rapidly established without an effective, qualified management, and both are not operational. Conversely, the Balkh Dairy Plant has been very successful and has expanded its lines since receiving support. Prior to support by DIRPA, Balkh Dairy was an FAO-supported dairy plant with very limited processing facilities. DIRPA's investments created a new facility with more modern processing and packaging equipment, so that it is in a better position to compete in the market. A remaining concern is the quality of the raw milk, which cannot be guaranteed without an efficient collection system and cold chain.

Fruit and Vegetables

Excluding women-owned processors (which are addressed separately), this study included three fruit and vegetable processors that received support from USAID projects. Two were start-ups (Omaid Bahar, supported by ASAP; and Masroor, supported by ADP/E and IDEA-NEW) and one (Bagram Fruit, supported by GDA) was a rehabilitation of a largely defunct factory. Omaid Bahar and Masroor both had competent management and received a large amount of assistance in the form of in-kind grants and technical support. They both have survived. Bagram Fruit received a lower degree of assistance (mainly related to the physical restoration of the factory, such as floor and ceiling retiling), and has been largely unsuccessful. Its failure appears to be due to poor management and the purchase of some very poor-quality machinery (which was done independent of USAID's support).

Honey

Season Honey is a small-scale processor that already had a successful operation before receiving support from IDEA-NEW, which included management trainings, facility upgrades, and a grant to apply for Hazard Analysis and Critical Control Points (HACCP) certification. The assistance provided by USAID was very beneficial to the company and allowed it to reach a higher standard of production and cleanliness. The company was able to expand its business and double its staff of full time employees from six to 12.

Packing Materials

The Al Riyaz Packing Factory was established with support from IDEA-NEW. It also received loans totaling $500,000 from ARFC and ADF. While the support was initially successful, and the factory was reportedly producing good-quality cardboard packaging materials for other local companies, it could not service its loans and went bankrupt after several years, and following a drastic increase in the cost of the land lease of its factory.

Textiles

The study included a textile factory in Jalalabad, Saboor Alkozay Textiles, which received support from IDEA-NEW in the form of trainings, and a grant from ABADE that allowed it to purchase 40 new weaving machines (being installed at the time of study), in addition to its existing 18. The company existed prior to the support, which was successful in helping it improve the quality of its products and to drastically expand its operations.

Agricultural Training Centers

Agricultural training centers do not fit into a normal classification of an agribusiness, at least not in the context of Afghanistan. The ability and willingness of farmers to pay for training services is not sufficient to make these viable businesses. However, Badam Bagh Research Farm is a government facility that received significant amounts of funds under ASAP. Several other businesses reported offering training services as a major component of their income stream, but their clients were projects that subcontracted them. These include the Parwan Women's Training Center and the Nangarhar Agricultural Training Center. In both of these cases, these companies also received funds from IDEA-NEW, but these were for other aspects of their businesses (processing/marketing of vegetable and fruit products, and solar panels for greenhouses respectively). As the number of projects has reduced, the training components of these businesses have also reduced.

While we cannot talk about the profitability of Badam Bagh, we can look at the sustainable use of the facilities by the Ministry of Agriculture, Irrigation, and Livestock. Unfortunately, while it appears that the quality of support provided to Badam Bagh under ASAP was substantive and of good quality, the government's commitment to maintaining the facility and to using it as intended appears to be very low. At present, its activities are minimal due to lack of budget. More importantly, the ASAP personnel with expertise who worked on Badam Bagh have dispersed and are no longer connected to the research farm.

Cold Storage

Only one cold storage unit was included in this study: Nezam Cold Storage, in Balkh province. Although ASAP installed good-quality, functional machinery, the facility was never operational. A majority of stand-alone cold storage facilities in Afghanistan have failed. This is due mainly to the high costs of electricity required to run them, which are not economical in comparison to the benefits. In contrast, processing factories with good management and a clear financial advantage to using cold storage have benefitted from the installation of USAID-funded cold storage units.

Farm Service Centers

AFSA provided in-kind grants typically valued at $50,000 to each of the 18 supported FSCs. The grants took the form of farming equipment (primarily for rental) and some infrastructure and

furniture. AFSA also provided some training and technical support, as well as the development of a member association, the Farm Service Center Association of Afghanistan, or FSCAA, which was intended to help FSCs secure better quality inputs at better prices, and take on other collective business ventures.

With the exception of the women's FSCs, all the FSCs were built on existing businesses. In some cases, the businesses were already large and profitable. Thus, the continued existence of the FSCs cannot be assumed to be due to AFSA. Although equipment sales did not make up a substantial proportion of overall sales, respondents from the FSCs reported renting out equipment and finding this profitable. The owner of the Wardak FSC said that the wheat reapers, in particular, were in high demand in his area.

At the time of this study, the FSCAA was in existence but not very active, and had not managed to fulfill its intended role. Its main stumbling block was funding after the project closed. It does not offer enough value to its members to be able to command fees.

Greenhouses

One greenhouse business included in this study was established with the support of IDEA-NEW, which built five greenhouses and provided training to the owner. Commercial greenhouse management requires a significant level of technical expertise and management. In this case, IDEA-NEW's support appeared to provide good-quality materials and also sufficient training for the greenhouses to be operated at a profit. However, evidence indicates that women's greenhouses established under ADP/E and ASAP were not sustainable, largely because the women managing the businesses did not receive enough training to develop the capacity for good management,[26] The ADP/E final evaluation suggests that the intervention would have needed significantly more time to develop this capacity. In several cases, the projects provided a market for women's greenhouses and nurseries by buying their products, but this only lasted for the duration of the projects.

Nurseries

IDEA-NEW provided support to 45 local private nurseries and helped them improve their production and marketing to NGOs and the private sector in the region. The nurseries received improved citrus rootstocks, tools, and trainings on good nursery agricultural management and marketing. Three fruit tree nurseries were visited during this study, and all were active, well-

[26] Based on interviews with key informants, two site visits, as well as project evaluation documents

managed, and producing certified budded saplings. The owners credited IDEA-NEW's support with improving the quality and profitability of their businesses.

Orchards

Four orchards were visited during this study, two established with the support of ADP/E and two by IDEA-NEW. In three cases, the projects provided poor varieties of apricot and lemon tree saplings that matured to produce low-quality fruit, which was entirely unmarketable. The orchard owners were both experienced and appeared to have managed the orchards well. However, they spent years waiting for the orchards to mature, only to find out that they could not sell the fruit. Several had already cut down their trees, and another was planning to do so. A one-and-a-half *jerib* persimmon orchard established by IDEA-NEW was producing fruit of an acceptable quality for sale in domestic markets, creating a modest profit for the owner.

Poultry Farms

The study included two poultry farms that were started with support from USAID projects (one under ADP/E and one under ASAP), plus another large poultry farm in Nangarhar that did not receive USAID support, as a comparator. All three of these companies were successful. However, key informants and documentation reported many failed efforts at supporting poultry businesses, especially the smaller poultry operations aimed at women supported under ADP/E and IDEA-NEW. Reportedly, these failed due to the very competitive nature of the sector, meaning they could not compete with the efficiencies of larger operations.

We found that USAID interventions in the poultry sector can best be characterized as having mixed results. Due to the lack of monitoring information available, and the fact that many poultry projects supported by USAID also received assistance from many other donors, it is difficult to know the exact impact of USAID investments toward ensuring self-sustainability. The demand for poultry products, chicken meat, and eggs has steadily risen, and much investment funding, both private sector and development assistance, have flown into this high-risk sector. If the project was conceived correctly, is based in the right location, and the right management put in place, the likelihood of success increases markedly.

Due to the many competing Afghan companies vying for donor support, those able to successfully navigate the application process and receive fully-granted or subsidized support were at a distinct advantage to competition that was unable to do so. In most cases, the more support received, the greater the chance of self-sustainability, especially in the case where there is a competent poultry farm management in place.

Traders & Exporters

Two USAID projects, ASAP and GDA, provided support to Afghan exporters. The support aimed to improve product quality and packaging to meet international standards; to link traders

to export markets and international buyers; subsidize participation in international trade fairs; educate traders on issues related to international trade of fresh and dried fruit, post-harvest technologies, the cold chain, and international trade documentation; and provide one-time subsidies for trial shipments of exports.

Two traders (both supported by ASAP) were successful prior to receiving support, and were able to benefit from the support in the ways intended. Specifically, they were able to expand their export activities into new markets and maintain these after the support ended.

One trade organization (supported by GDA) was established by the project and did not survive after the project ended. GDA helped establish links to international buyers, but it ran into problems when a shipment of raisins headed to the UK was delayed in transit, leading to spoilage. The organization itself also appeared to be weak.

Veterinary Field Units

VFUs have been established and supported by the Dutch Committee for Afghanistan (DCA) over the past 23 years. They have received support through a succession of USAID projects, starting with RAMP, then ASAP, IDEA-NEW, and presently, RADP West, North, and South. The model of support provided by successive USAID projects does not appear to have changed radically. Under RAMP, the major focus was on making the VFUs operate as independent businesses, networked through a veterinary association (which has close links with DCA), while also expanding and opening some new VFUs.

Because DCA has multiple donors, it is difficult to disaggregate the influence of various funding sources. The overall VFU model appears to have worked on several dimensions. First and foremost, the VFUs themselves are functional and largely self-sustaining. Secondly, they have succeeded in delivering vaccines and extension services throughout large areas of the country. ASAP and other USAID projects have been, and continue to be, a major funding source driving the overall program.

If all support and subsidy were removed from these VFUs, they would most likely continue as medicine and vaccine supply stores, but the quality of services, and possibly of the medicines, would decrease, and extension services would probably cease.

c. The influence of outside factors on agribusiness sustainability

It is particularly evident when reviewing project documents for the older projects, such as ADP/E, how many of the hypotheses and hopes about the broader emerging economy in Afghanistan have not come to pass.

Opium remains a robust part of the economy,[27] the security situation has deteriorated, and investment has dropped off. Government corruption poses a serious challenge to business operation. The industrial parks set up in Bagram, Herat, Mazar-i-Sharif, and other localities have seen many operations shutter due to a combination of insecurity, high running costs, and a weak economy.[28] Government regulation of both imports and exports remains very weak, and transit trade agreements with Pakistan have failed to improve Afghanistan's access to land routes.

At the same time, huge investments in infrastructure and market development have been made, and some new market linkages have been established. Interviews with business owners for the study and from comparator businesses at the 2015 Badam Bagh Agriculture Fair provide a reminder that there is a substantial amount of money in the country. Business owners have reported investing up to a million dollars of their own funds in start-ups.

Business owners interviewed for this study mentioned the following as major constraints to their businesses. These have also been well-documented in other reports and studies.

- Limited access to affordable, *sharia*-compliant credit.
- Flooding of the domestic market with cheap, imported products that are often sold at prices below the production costs of the equivalent Afghan products (e.g., vegetables, dairy products, silk products, juice, etc.).
- Poor quality and labeling of imported inputs (including medicines, agrochemicals, etc.) and very weak regulation.
- Poor government regulation of exports, meaning that phytosanitary certificates are not recognized in many places.
- Lack of land for placing factories/processing plants, and lack of affordable electricity for operating them.
- Drought/limited water sources hurt farmers and herders, and affect the entire agricultural value chain. This issue is important enough that it is raised frequently, even by people who are only indirectly affected.[29]
- Difficulties in sourcing reliable quality and quantity of raw materials to meet the requirements of export markets (i.e., smallholder farmers produce smaller amounts of variable standard). Limited knowledge of smallholders in production methods is a related complaint.
- Limited transit access to neighboring countries. Despite transit trade agreements, frequent and arbitrary border closures, delays of goods, and requests for bribes are the norm.
- Little access to cold storage and a non-existent cold chain.

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[27] Despair or Hope? Opium Poppy Cultivation in post-2014 Afghanistan Fishstein & Mansfield (July 2014) Kabul: AREU. Available at: http://www.areu.org.af/Uploads/EditionPdfs/1417E%20NRM%20Opium%20Policy%20note%20for%20synthesis%20paper%20Paul%20and%20David%20Final.pdf

[28] Based on a visit to the Herat Industrial Area and key informant data regarding all industrial areas

[29] The head of the Herati branch of ACCI, for example mentioned this as the main challenge facing agribusiness.

- Low purchasing power of Afghan farmers/herders and Afghan end consumers means low-quality cheap imports often win out.
- For processors, difficulty in accessing good-quality and affordable packing and labeling materials.

Some businesses have found solutions or workarounds to some of these issues, and some are likely to be long-standing issues with no easy solution.

External to USAID support, but internal to the businesses receiving support, are the characteristics of the businesses themselves. In such a challenging environment, a business's resilience and capacity to problem-solve and find workable solutions are critical. Much of this comes down to the leadership. Those with proven business histories tended to do better: they have established networks, can often leverage additional capital, and have a deeper and intuitive understanding of what is workable. However, motivation is also a key. People with proven business histories have not always had the same motivations as donors when it comes to the utilization of donor funds.

The flood of donor funds into Afghanistan has had a huge effect on the operation of markets and agribusinesses. Some local operations have gotten a significant amount of business through contracts with donors (as implementing partners or suppliers), and some have received multiple grants from multiple donors. This situation makes it difficult to assess whether some businesses will be viable without such largesse. It also encourages the creation of shell companies, either within existing businesses or as stand-alone enterprises, which exist primarily to benefit in some way from donor largesse. These businesses tend to shut down at the end of projects, and thus rarely have lasting benefits for the broader local economy, rather serving to capture donor funds for the short-term benefit of the owner and associates.

While USAID and its IPs do not have direct control over these factors, they do have control over the circumstances in which they choose to engage, and in the sorts of signals and incentives they offer to businesses. Particularly important here are the selection criteria of businesses and business owners, which is discussed further under responses to study questions 4 and 5 and in the conclusion and recommendations sections of this report.

2. THROUGH SUPPORT TO THESE AGRIBUSINESSES, WHAT DIFFERENCE DID USAID'S INTERVENTIONS MAKE TO THE LOCAL ECONOMY?

For each of the six USAID projects included in this study, supporting agribusinesses was part of a broader strategy to bolster economic development through agriculture. These agribusinesses were expected to have broader benefits to the Afghan economy and the functioning of agricultural value chains. For example, support to the VFUs, AgDepots, and FSCs was undertaken primarily to establish sources for quality inputs and extension services to farmers and

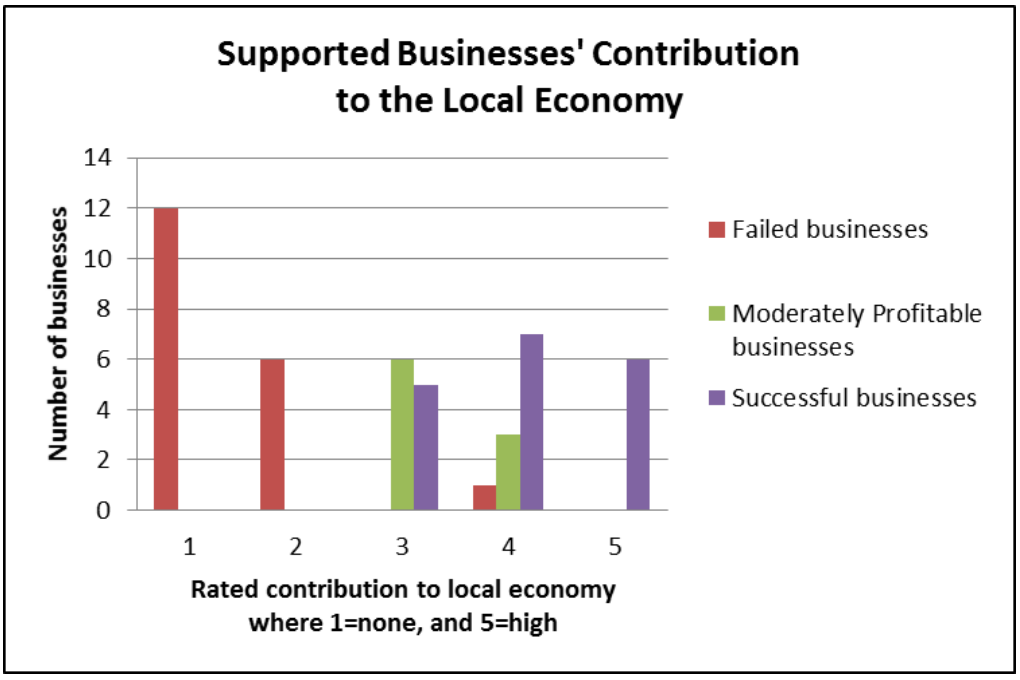
herders. Processing factories were created to increase markets for raw materials such as milk, fruit, and raw cashmere, and establishing a factory that created packaging allowed processors to source a key input domestically, rather than having to import.

In this section, we consider how the businesses in this study have contributed to the economy. Each business's contribution to the local economy was assessed against five key points, and scored on a one to five-point scale for each (with 1 being low/poor and 5 being high/excellent):

- The company has created decent jobs for Afghans (as owners or as employees)
- The company has provided Afghans with income opportunities as suppliers
- Afghan clients have benefitted economically due to this business
- The company has had a positive broader influence on economic opportunities (e.g., by opening up new markets to other companies, or acting as a model)
- The company has not created any negative impact through its activities (e.g., by unfairly undermining other companies, degrading the environment, etc.)

Based on this, the company was then given an overall score for its contribution to the local economy. Businesses that were defunct naturally scored poorly, so it was more interesting to see how profitable companies scored, and the specific ways that USAID support had helped them in creating broader gains for the local and national economies.

Figure 2: Supported Businesses' Contribution to the Local Economy



The chart above shows how all businesses scored. Failed businesses (scoring 1 or 2 on profitability), moderately-performing businesses (scoring 3 on profitability) and successful businesses (scoring a 4 or 5 on profitability) are categorized into different groups, to help

separate some of the more obvious differences. The one failed business assessed to have a good impact on the economy is the Herati Cashmere and Skin Processing Company. This is because it has not entirely failed. If it manages to survive, its positive impact on the local economy is potentially sizable due to international interest in Afghan cashmere.[30] Otherwise, all failed businesses were judged to have a negligible benefit on the local economy, although some did create benefits while they were in operation. The rest of this section thus focuses on the impacts created by moderately profitable and successful businesses, and USAID's role in supporting these impacts.

a. Employment generated by the supported businesses (and attributable to USAID support)

The table below shows the scores accorded to this for all profitable businesses included in the study (27 scored 3-5).

Score	# of Biz	% of Biz
1	0	0
2	1	4
3	12	44
4	10	37
5	4	15

The business that scored 2 had recently laid off many of its employees. Most of the employment it had generated had been short-term, through contracts with donors to implement short-term projects. For this reason, it scored lower, despite its reported profitability.

Most of those scoring 3 were small businesses (especially the AgDepots and VFUs), which were generating enough income to create a basic living for the owner and occasionally an employee. This category also included a few larger businesses that had relatively few employees, given the amount of profit generated.

Those scoring 4 were mainly small-to-medium-size companies (e.g., with between five to 99 employees). The four companies that scored 5 included one small company that was likely to expand in the near future, two medium-size companies, and a large company.

In total, across all businesses in the sample, about 659 full-time equivalent (FTE) jobs were created since the time of USAID's support (based largely on reports from owners/managers).[31] This works out to an average of 14 FTEs per business, or 23 FTEs when failed businesses are excluded. While a few businesses reported that USAID's support was largely irrelevant to their expansion, the majority reported that it played an important and sometimes direct role. This is

[30] Please see the annexes for a full assessment of this company and the support given to it.
[31] Because some positions are seasonal or part-time, this figure is not exact.

most obvious in cases where USAID supported in the start-up of a business, or in the expansion of equipment, requiring more workers to operate it.

USAID's influence on employment figures was directly related to the effectiveness of its intervention. Thus, for failed businesses, no employment was generated, and for mid-sized start-ups supported by USAID, the support given played a critical role in generating the jobs.

While the VFUs and AgDepots did not generate impressive employment figures per business, the cumulative employment over an entire network can be considerable. However, for AgDepots, many already existed prior to USAID intervention, and the impact on employment for these businesses was negligible.

Much of the employment in agriculture is seasonal. This is most obviously true for nurseries, orchards, and farms, but is also true for most of the processing companies. Assessing the quality of this employment (e.g., wage rates, stability, working conditions) is beyond the scope of this study.

b. Impacts on other economic actors (e.g., suppliers, customers)

In most cases, the businesses' major impact on the local economy was through the opportunities they provided to suppliers. In turn, suppliers provided goods and services to customers, which in some cases provided value-added opportunities, even if it was just through retailing products purchased at wholesale. As different types of businesses have different values to suppliers and customers, this study addresses each in turn, beginning with suppliers.

Table 7 shows a summary of the scores (from 1=lowest to 5=highest) given to the 47 agribusinesses in the study, with respect to their ability to provide Afghans with income opportunities as suppliers.

Table 7: Agribusiness Scores on Providing Income Opportunities to Afghan Suppliers

Score for 'Provided Afghans income opportunities as suppliers'	Businesses	
	#	%
Unknown/Unrated	1	2
1 (Provided no opportunities)	13	28
2 (Provided minimal opportunities)	13	28
3 (Provided moderate opportunities)	7	15
4 (Provided good income opportunities)	5	11
5 (Provided excellent income opportunities to many Afghan suppliers)	7	15
Total:	*47*	*100*

The lowest scoring businesses (1-2) included, for obvious reasons, all those that were not functional. Other low-scoring businesses sourced their supplies (particularly agricultural inputs and veterinary medicines) entirely, or almost entirely, through imports. Processors are the most important group of businesses in terms of their potential to provide improved economic opportunities to suppliers, seconded by traders, who help to link processors to markets (and, in the case of exporters, these markets can be much higher value than those immediately available to processors).

Agribusiness owners frequently express a pressing need for cold storage facilities to improve their abilities to negotiate prices. In practice, however, there are extremely few cases (outside of an integrated cold chain operated within a processing business) of businesses that have been able to use commercial, or even at-cost government-provided cold storage facilities to their benefit. This is not due to a dearth of cold storage – many units have been built by various donors over the last 12 years. Rather, the costs of operating cold storage given very high electricity and diesel fuel costs and poor stability of electricity supplies make this option prohibitive for most products.[32] Several savvy and resourceful traders have attempted to lease cold storage units and ended up losing money.

Processors can improve markets for suppliers in a number of ways. It is worth considering some of the most successful examples here, and why they have worked, along with some of the risk factors. Omaid Bahar and Balkh Dairy both stand out in this regard, as do some of the women-owned processors, including Industrial Women of Parwan. Herati Cashmere counts as a 'near-miss' in this regard, although there is some anecdotal evidence that its activities may have spurred overall higher interest in the cashmere market, increasing the market price for raw cashmere.

Omaid Bahar buys fruit to make juice concentrates. It only needs lower grades of fruits, for which there was previously a limited market. It also buys some fruits, including soft-skinned apricot, which were previously hard to sell, because they bruise easily during transit. Hence, it has essentially created a market for fruit that was barely marketable before. It buys through its own purchasing agents, and while they negotiate on the company's behalf, suppliers are generally satisfied with the price, as it is higher than what they were able to sell for before. The suppliers consulted for this study were happy to be able to sell domestically and thus create more value in the national economy. Previously, they would have sold this grade of fruit, if at all, to juice companies in Pakistan.

[32] Agricultural Credit Enhancement (ACE) Program (August 201) 'Viability of Cold Storage in Afghanistan' Kabul: USAID,

Balkh Dairy provides a good market for dairy producers, although it is currently not able to process all the raw milk its members supply. Its success is dependent on the organization of farmers into a union, and the organization of collection centers. This means the dairy producers have a regular, easily-accessible market for their milk. Previously, they had to travel to the city market in Mazar-i-Sharif, costing them both money for transport and time away from their other work. Village-level collection centers are also accessible to women, who are involved in livestock rearing and milk collection. While most women are not permitted to travel to the city market because of cultural restrictions, most are able to go directly to village collection centers, giving them more direct access and control in the value chain.

In contrast to Balkh Dairy, when the same project equipped several villages in Parwan with dairy processing equipment, the processing centers never became operational. This was largely because the collection centers and producer groups had not been sufficient organized beforehand, so the social structure was not there to manage the dairy supply.

The challenge of effectively organizing farmers for more efficient and reliable supply purposes was a recurring theme among a number of processors and traders. Businesses attempting to connect to international markets, which are subject to more stringent standards and regulations, must find ways to regulate their supplies. For some traders and small-scale suppliers, this has meant setting up contract farming arrangements, whereby they buy on credit and even provide some inputs (such as fertilizer) and extension advice. Parwan Industrial Women reported doing this with 200 small-scale women producers in the province, although this was for local markets without strict requirements (the owner would like to sell to other markets, but has not been able to meet the requirements of these markets with her current capacity). A few fruit exporters included in the study and others also reported doing this. For example, Takana Sefla Brothers contracts with apple growers in Wardak province that are known to have the highest quality fruit. The business pays them in three installments (at the start of the season, on receiving the apples, and on selling the apples), and also provides them with fertilizer.

NGO attempts to organize farmers into producer groups that can sell and interact collectively with the market appear to have been met with mixed results. Key informants report there is often a sense of distrust and some bad memories, especially linked to compulsory cooperatives introduced during the Soviet period. Many ‘associations’ have only lasted for the duration of project funding, sometimes as subcontractors implementing components of a project, sometimes as grant recipients, and sometimes as both. Thus, the functionality and income tends to be oriented towards donor funding despite attempts to create ‘sustainability.’ Representatives of a number of semi-defunct associations with whom the study team spoke were essentially hoping to find more donor funding so they could resume activities. The effectiveness of such activities can influence both the success of processors and the degree to which the farmers supplying them can benefit.

In terms of benefits to Afghan clients, the 47 sample businesses were assessed on a 5-point scale (from 1=poor to 5=excellent) as shown in Table 8.

Table 8: Agribusiness Scores on Benefits Provided to Clients

Benefit to Client	# of Biz	% of Biz	Profit Status of Businesses
Weak (1 or 2)	19	38%	All failed
Middling (3)	14	30%	1 weak, 7 mid, and 6 good
Good (4 or 5)	15	32%	2 mid and 13 good

Benefits were assessed mainly in terms of the potential economic benefit and value addition, rather than the inherent benefit of, say, owning a cashmere sweater or eating a delicious apple. Unsurprisingly, businesses that were not operating did not provide benefit to their clients.

Companies scoring 3 (modest economic benefits to clients) include processors who sell to local wholesalers and retailers, providing modest economic opportunities to the latter in the form of onward sales; and the one successful orchard, which sells its fruits directly to local markets.

AgDepots and VFUs were rated 3 and 4, depending on the number of clients served and any feedback the team was able to get on the quality of services. The potential economic benefit of their services to clients is substantive (e.g., by increasing the survival and health of their animals and plants and improving the value of both), but the latter provided mixed reports on the quality and efficacy of products and services delivered. As one AgDepot client explained, "We bought the medicine (pesticide) to get rid of rust[33], but when we applied it, it killed the plant instead." The one functional FSC in our sample was also rated a 4; it provides a full array of goods and services to orchard owners and farmers in Wardak. Likewise, one company running greenhouses in Jalalabad supported by ADP/E provides good-quality planting materials to surrounding farmers.

Quality control appears higher among VFUs than AgDepots. This is because they purchase their vaccines and medicines mainly from a dedicated supply company (VetServe), and because DCA provides some checks on quality and gives ongoing training to the paravets (whereas AgDepots purchase mainly from the open market). While most feedback on VFUs was positive, there were also some negative reports about the quality of services from a number of clients. The study team was unable to assess the overall quality and efficacy of products and services among AgDepots, VFUs, and FSCs. However, quality is critical in determining whether these businesses are

[33] Rust is a type of fungal disease that can attack many types of plants.

creating an economic benefit for farmers or an economic liability. There have been a number of studies estimating the financial value of such investment in reduced animal mortality rates, including one commissioned by DCA under RAMP, which estimated it at a rate of return of $11 per dollar spent.[34]

Large companies selling in local markets received a score of 4 or 5, due to their larger impact on local markets. This included the Balkh Dairy Plant, for example, which markets and retails its dairy products in the regional market. Fruit tree nurseries were also rated highly for providing good-quality budded saplings to orchard growers, who could potentially reap significant economic benefit from them.

Although it eventually failed, the Al-Riyaz Packing Company was very beneficial for clients during its three years of operation, by providing them with good-quality, reasonably-priced packing materials. This was an oft-requested need, and importing packaging is a major expense that puts Afghan clients at a disadvantage.[35] It was a great idea, and one that appeared viable except for the specific operational issues that bankrupted the plant.

Likewise, although it failed, the cashmere-processing plant showed great promise in creating further 'downstream' income opportunities for women in spinning, weaving, and knitting cashmere yarn prior to export.

c. Other multiplier effects to the economy

In some cases, the businesses in this study that received support from USAID may also have had broader multiplier effects on the economy. For example, ASAP's support to exporters subsidized them in making trial shipments to new foreign markets. This reduced their risks while they explored and tested new opportunities. For several of the traders in this study, they were able to successfully expand into those markets based on this support. For example, the Tekana Selfa Brothers received a one-time subsidy to export apples to new markets in Pakistan, India, and Dubai. Once they connected to these markets, they were able to continue their exports. By showing the viability of these markets for Afghan products, such traders may also open the way for others to follow. This is potentially an area where USAID intervention can make a big difference, by helping businesses and potential entrepreneurs to see what is possible.[36]

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[34] As described in the ASAP Final Evaluation, p14.

[35] The need for affordable packing material was mentioned by many small businesses. Rachel Zedeck of Control Union also mentioned it as a major barrier for businesses – in part because of high and variable tariffs imposed on imported packing materials, due to corruption in Customs.

[36] It is likely that USAID has made a difference here, but that difference is offset by other factors (security, weak regulation, etc.) that counter the attractiveness of business ventures in Afghanistan, and discouraged investment.

Likewise, some of the customers and suppliers to large Afghan companies that received support from USAID expressed pride in being able to sell to and buy from an Afghan company, rather than a company from a neighboring country. Despite the frequent challenges noted and observed in organizing strong producer and business associations, many Afghan business actors recognize the value of working with other Afghans to strengthen the overall economy.

The poultry business association in Nangarhar is an interesting example of businesses reportedly working together to address a common problem: that of cheap broiler poultry (35-40 days-old, 1.5-2 kgs chickens) being imported from Pakistan. Several poultry business owners reported that, due to the association's lobbying efforts, the governor of Nangarhar ordered blocking the import of broilers from Pakistan. This has helped protect local markets for broiler poultry businesses in this region.[37]

In some cases, there is a 'multiplier effect' in terms of donor efforts supporting each other. The Balkh dairy factory is a good example of this. DIRPA's short intervention with the factory succeeded because the FAO had already been organizing farmers, working to improve the quality of dairy cattle, and essentially laying much of the necessary organizational foundation for it to succeed. FAO officials mentioned they also hope to revitalize one of the two Charikar dairy microprocessors that had been established by DIRPA but failed due to the lack of effective management and poor organization of farmers.

VFUs are another example of USAID's support feeding into and leveraging the efforts of other donors, through the long-term work of the DCA. Further, because the VFUs are prevalent in herding communities across the country, they serve as a network for important non-commercial activities, including subsidized vaccination campaigns and extension/education efforts.

Finally, women-owned agri-processing businesses appear to have strong multiplier effects in local economies because they often source local inputs, sell to local shops and traders, and tend to use more traditional, labor-intensive processing methods. Because these women-owned and operated businesses are still relatively unusual, they also act as models of what is possible, and can help to shift social norms of what is acceptable.[38] These are discussed further in the section on women's engagement with agricultural value chains below.

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[37] The team did not ascertain the legality and validity of such decree under existing trade laws. Ostensibly, it was issued to block diseased birds from entering the country, but was only issued against one or two border posts.

[38] Ritchie, Holly (April 2012) *Unleashing Economic Potential Through Institutional Innovation in Traditional and Uncertain Contexts: The Case of a Women's Food Processing Enterprise in Afghanistan.* The Hague: Erasmus University.

d. Negative impacts to local economies

There was little evidence to suggest negative impacts on local economies from the agribusinesses that USAID has supported, although the study was not able to make a full assessment of this issue, and most key informants did not appear to have considered it. The strongest concerns raised were about the poorly-regulated agrichemicals being sold in increasing volumes through AgDepots, and similar concerns about the poor quality of veterinary medicines. The misuse and over-application of agrichemicals such as pesticides and fungicides potentially have both immediate and long-term negative effects on the yield and quality of agricultural produce, as well as on the health of people residing in the area, and on the quality of local water supplies. MAIL officials report that they have had regulations on the sale of agrochemicals in place since 2009. These regulations require that agrochemical sellers register with MAIL and get specific clearance for any agrochemical they wish to import and sell. However, their ability to enforce these regulations and to effectively safeguard farmers and the public from potential hazards of overexposure and misuse appear limited. They report that most agrochemicals are smuggled in, and only 70 input stores are registered with them.[39]

Other potential negative impacts that the team observed, or about which it heard, included: wastewater from a dairy plant did not appear to be properly treated: one large poultry farm was located in a residential area, where it smelled bad and created increased risk of disease; and in one village, there were concerns that the expanded presence of a growing factory might create high traffic and congestion.

Overall, the environmental and related health risks posed by the businesses do not appear to have been properly addressed. For example, while the cashmere sector is known to create the risk of desertification through overgrazing of goats – a phenomenon that has been experienced in Mongolia as a result of increased demand for cashmere – none of the material reviewed for this study even mentioned this issue, and only one or two key informants mentioned it. Afghanistan's land is already highly degraded and fragile, and the scarcity of arable land and quality pasture is a major source of both poverty and conflict.[40] Given these issues, it seems foolhardy to invest in the expansion of any agricultural sector without a proper environmental impact assessment. The reduction of such risk may be one unintended benefit of the failure of the cashmere-processing factory.

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[39] The study team also spoke with officials regarding the regulations of the National Environment Protection Agency (NEPA). It requires all businesses to register with it, so that it can assess their environmental impact. However, its current capacity to regulate and assess risk appears weak.

[40] Deschamps, Colin (April 2009) *Land Conflict in Afghanistan*. Kabul: AREU.

3. WHAT DIFFERENCE DID USAID'S INTERVENTIONS MAKE TO WOMEN'S ACCESS TO AND PARTICIPATION IN AGRICULTURAL VALUE-CHAINS?

Most USAID projects include explicit gender goals and regularly track women's engagement in their monitoring activities. Among the six projects included in this study, five had an explicit recognition and focus on engaging women in agricultural value chains through their activities. The exception was GDA, a small project focused specifically on improving the production and processing of grapes. Its final report did not mention women at all. GDA did not appear to have included women in any of its activities, or consider them in terms of its indirect impacts.

Of the remaining five projects, Table 9 below summarizes their approaches and key activities targeting women.[41]

Table 9: Summary of Project Focus on Women/Gender

Project	Summary of Project Focus on Women/Gender
DIRPA	While gender was not explicitly mentioned in DIRPA's overall project goals, women are traditionally involved in livestock care and dairy processing. The project tracked the number of women participating (at the village level), and hired female extension workers to reach out to women farmers in Parwan and Kunduz, training them on basic milk handling, sanitation, and improved feed for cows (with the aim of improving yield and quality of milk). The final project report noted that, "Because farm women are the people who care for and milk the cows, send the milk to the collection centers, and receive payments, paying attention to gender when training extension agents – specifically, introducing more women to the program – had a large impact on the project goals."[42]
ASAP	ASAP included a number of women-focused activities. Its final report noted, "Recognizing that Afghan women are a crucial but often underserved force in Afghanistan's agriculture sector, ASAP aimed to include local women in its initiatives wherever possible."[43] Key activities focused on women's engagement included: • Training herders (about 20% of whom were women) about the value of cashmere and how to harvest it. • Under ASAP and, later, IDEA-NEW, some female paravets received training and modest stipends. • Training 240 women how to knit with processed cashmere, to fulfill clothing orders for a high-end international clothing label (Kate Spade). This was done in conjunction with the owner of the Herati Cashmere Factory. • Creating an agreement with the Afghanistan Women's Business Center

[41] This information is based on project reports.
[42] DIRPA Final Project Report, p.29
[43] ASAP Final Project Report, p.73

	(AWBC) so that the latter's members could harvest and sell produce from Badam Bagh farm. ASAP also worked with AWBC and AFSA to establish some facilities for women in Parwan (discussed in more detail in the body of this section). • Finally, ASAP supported a small number of women's greenhouses and nurseries, and supported women's participation in agricultural fairs.
ADP/E	ADP/E took an 'area approach' to development that included agri-business support. Gender was incorporated across its activities, and it had special initiatives to fund 'backyard poultry' for 200 women, women-operated greenhouses, 40 women-operated fishponds, and women-operated greenhouses. It also supported the start-up of a pack house in Sukh-Rodh staffed by women.
IDEA-NEW	IDEA-NEW was essentially a continuation of ADP, took a fairly similar approach, and supported some of the same initiatives that had begun under ADP. It also provided direct support through the form of in-kind grants to a small number of women-owned processing businesses, often with the understanding that this would have broader benefits for women as suppliers or processors. The only successful women-owned businesses included in this study were supported by IDEA-NEW (excluding comparator businesses).
AFSA	AFSA set up 18 farm service centers, of which three (in Kabul, Parwan, and Balkh) were operated by women. According to AFSA's final report,[44] these centers *target women farmers as customers, seeking to create equal access for women to critical productivity enhancing inputs. These stores offer agricultural supplies catered to goods and products that women are producing, including canning and pickling, and offer trainings specifically focused on the female agriculturalists*. Only the Parwan FSC was still running at the time of this study, and it is essentially only functioning as a grocery store.

Performance of agribusinesses in the study

The study team assessed all 47 sample businesses against criteria related to their ability to create opportunities for women to engage in agricultural value chains as owners, employees, suppliers, customers (with value addition/potential economic returns), or due to other multiplier effects. They generally scored poorly (with a mean score of 1.85/5, or 37%). By contrast, our 22 comparator businesses, which did not receive support from any of these six projects (although some had received support from other projects), scored much higher, with a mean score of 3.45, These are not random samples, and many of the comparator businesses were women-owned businesses participating at the agriculture fair at Badam Bagh (with their participation sponsored

[44] AFSA Final Report, p. 2

by USAID). However, these results do highlight that sustainable benefits to women's engagement have generally been a weak area among USAID projects, and that it is possible to have profitable businesses that engage women. It is also worth noting: across both groups (supported and comparator), there are some companies that have engaged significant numbers of women without being 'women's initiatives.'

This section will look at some of the reasons for the successes and failures among these businesses, and identify some of the more promising niches and approaches to engaging women.

Table 10: Agribusiness Scores on Women's Engagement

Women's Engagement Score	Supported Businesses		Comparator Businesses	
	#	%	#	%
5 (Excellent)	1	2	5	23
4 (Good)	3	6	8	36
3 (Okay)	4	9	5	23
2 (Weak)	19	40	0	0
1 (None)	20	43	4	18
Totals	*47*	*100*	*22*	100

Failed efforts at engagement

Compared to other types of support to agri-businesses, project support targeting women was much more likely to be of the start-up variety rather than in the form of support to existing businesses. This, combined with the higher barriers to women engaging in business generally (e.g., cultural constraints on mobility, more limited access to capital and collateral, generally lower levels of literacy and prior training and experience), means that supporting women's engagement with for-profit agriculture was always going to be more challenging than the equivalent support to men.

Obviously, businesses that stopped functioning also did not provide any ongoing, sustainable benefits to women. While this point may seem too obvious to state, many of the efforts to engage women economically appear to have been particularly weak in terms of assessing or adequately setting up the situation for long-term sustainability. In many cases, the impression from these failed businesses is that they were set up to meet short-term project objectives in terms of deliverables, and thus long-term sustainability was not seriously addressed.

This is true for most of the women-managed greenhouses, which stopped operating at the end of project funding. As the final evaluation for ADP/E noted, the greenhouses required a much stronger commitment both from the female beneficiaries and from the project itself. Running a commercial greenhouse requires a strong level of technical knowledge, as well as basic business

knowledge and the ability to link to markets. The ADP/E evaluation found that the women operating the greenhouses did not have the right capacity or the right outlook. The study team found that the greenhouses had stopped soon after the end of the project. They were only operating nominally as businesses during the project duration, by selling their products to the project. ASAP supported the construction of women's greenhouses in Parwan (in conjunction with AWBC), which do not appear to have been operational, despite also having received additional support soon thereafter under AFSA.

Conversations with former IP staff reveal that, although some of these women's initiatives were running well at the time of the projects, no one was particularly surprised by their failures because they were never established on a clear business model. This is also true for the women's farm service centers established under AFSA. These centers were groundbreaking, but it is not clear that they met an expressed need for women, who have not traditionally been as involved as men in the aspects and scale of farming that the FSCs targeted. Women did benefit from specific trainings provided through the women's FSCs during the project, but these were subsidized, and were never viable to be run on a cost-recovery basis. Women's paravets, supported by DCA under various USAID projects, are volunteers rather than entrepreneurs, presumably because DCA assessed that a pay-for-services model will not work in such cases. Rather, they offer extension, advice, and basic primary care only, and refer their clients to (men-run) VFUs as necessary.

Efforts to support women's poultry farming in the Eastern region under ADP/E and IDEA-NEW were also largely unsuccessful. According to former IP staff, this was mainly an issue of scale – the small-scale backyard poultry operations were not efficient enough to be able to compete with large-scale, fully-commercial producers.

ASAP made an arrangement with AWBC so that the latter's members could harvest and sell produce from Badam Bagh. However, this only lasted for the duration of the project.[45] Likewise, the ASAP Final Report noted that,

> *The project in 2011 constructed a 50-square-meter area at the AWBC premises that is serving as a modern food-processing center compliant with international food safety standards. The women use the center to produce pickles, jams, preserves, and juices; as a packing center for fruits and vegetables; and as women's training center for AfghanGAP, GMP, and GHP.*[46]

[45] Key informant interview.
[46] ASAP Final Project Report, p.73

This was the same site at which the Parwan FSC was later constructed, also under the management of the AWBC director, with a reported in-kind grant of $50,000.[47] By the time of this study, AWBC was no longer operational, the AWBC director was no longer in the country, and all activities it had initiated had ceased, other than the operation of a grocery store on the site of the Parwan FSC. The packing house is there, but is unused and now empty of all equipment. The Parwan FSC has gone through several management changes, but does not seem to have ever been fully operational as it was intended, despite apparently receiving significant amounts of support from both ASAP and AFSA.

Another area of intervention intended to benefit women under ASAP was support to the cashmere sector. Unless the Herati Cashmere and Skin Processing Factory finds a way to resolve its financial crisis, this effort may have also largely been a failure, since the factory is the only source of de-haired cashmere in the country. ASAP's outreach to train women and increase awareness on the supply side was reported as partially successful, but somewhat rushed.[48]

IDEA-NEW provided some support to a vegetable packhouse that was initially started under RAMP. The packhouse, located in Surkh Rod, in Nangarhar Province, was noteworthy for employing women. It had employed 20 women and ten men. In 2010, IDEA-NEW handed the packhouse to a new owner, Haji Zabihullah, who already owned a successful agribusiness trading company called Takdana. The packhouse had a longstanding contract with The Supreme Group, which provided food to many foreign troops and diplomats. However, that contract ended at the end of 2013, and since then, the packhouse has been inactive. Security in Surkh Rod has also worsened. While the packhouse was successful in providing jobs for women for the duration of its existence, it was ultimately not sustainable. It is not clear why Zabihullah did not make efforts to seek other buyers for its produce.

Successful efforts at engagement

Among the businesses in our study, the most successful at creating economic opportunities for women were two women-owned processors that had received support from IDEA-NEW, and the Balkh Dairy Plant (supported under DIRPA). Dairy is a sector in which women are already traditionally involved. As mentioned, DIRPA had training specifically for women, by women, on dairy production. Further, the creation of village collection centers removed the need for dairy producers to go to the city market to sell their milk. Many women are fairly free to move around their village, so this meant they could go directly to the collection centers and be more directly

[47] The land belonged to DAIL, the ASAP Final Report mentioned that AWBC had leased it.
[48] Based on key informant interviews, as well as an FGD with women herders

involved in dairy sales. Balkh Dairy counts its interaction at a household level, however, so it is not clear from our information how much control women have over this income.[49]

The Herati cashmere factory was a 'near miss,' as already described (i.e., it provided great income opportunities to women while it was in operation, and may possibly do so again).

From among the comparator businesses, most of those engaging women were women-owned processing companies similar to those that received support from IDEA-NEW. These companies typically produce dried herbs and spices, jams, pickles, and dairy products using traditional methods and simple packaging. They either sourced their supplies from their own production (or, in some cases, from wild-crafting) or from the open market. They sometimes sold at women's markets, and to locally-based retailers and wholesalers. These are quite simple businesses, sometimes organized as cooperatives. They often engage a large number of women (albeit on a part-time and home-based basis) and create significant multiplier effects in the local economy that are more likely to be of benefit to lower-income households, due to the low-entry costs and low risks. Surprisingly, most of these businesses reported that they had expanded over the last three years and claimed to be generating healthy profits. They had similar concerns regarding their future growth: machinery to improve the efficiency of their production, improved packaging and labeling, and improved access to markets were most frequently mentioned.

Among the two women-owned businesses supported by IDEA-NEW that were included in this study, it is clear that the businesses owed much of their success to the entrepreneurial drive of the women who owned them. One owner recalled she had worked in a food-processing company as a refugee in Iran, and got the idea to start her own processing business from that experience. She claimed to have 400 women working for her as contract farmers (in the Parwan area), and puts a lot of effort into marketing and finding new product niches. She is mainly limited by difficulties in meeting international standards, which require processing equipment she cannot afford.

Across both supported and non-supported businesses, a small number of other traders and processors also engage women as employees and suppliers. Among them area honey processor in Nangarhar that received support from IDEA-NEW who buys raw honey from 20 women suppliers; and several fruit processors and packing houses that hire women to do the processing work. These businesses typically employ women as staff or buy produce from them as suppliers because women have traditionally fulfilled these sorts of roles. No specific gender policy is necessary to engage women in such cases. For example, women are traditionally involved in dairy, in many livestock-related activities, and in a lot of small-scale, traditional food processing,

[49] Balkh Dairy is owned by its members, and has 2000 households supplying milk. It has 23 employees, of which 3 are women.

as well as in cleaning, spinning, and weaving fibers (including silk and wool, and including the raising of silk worms). Although saffron production is a more recent introduction, it is another area where women are often the primary producers and processors.

4. WHAT FORMS OF SUPPORT APPEAR TO HAVE BEEN MOST SUCCESSFUL IN ESTABLISHING AND/OR STRENGTHENING AGRIBUSINESSES, AND UNDER WHAT CONDITIONS? CONVERSELY, WHAT FORMS OF SUPPORT, UNDER WHAT CONDITIONS, HAVE BEEN LEAST SUCCESSFUL?

The USAID projects included in this study provided very similar forms of support to agribusinesses: in-kind grants oriented to the needs of the specific type of business (and sometimes, to the specific individual business), combined with technical support, training on management and technical issues, and frequently some sort of activity to help businesses link with markets.

USAID support to agribusiness was intended to achieve a range of project objectives. Whether the support was successful depended in part on what it was trying to achieve. For example, while AgDepots have a high survival rate, the purpose of ASAP support was primarily to strengthen their capacity to deliver high-quality inputs and advice. ASAP support can be only weakly credited with the successful survival of AgDepots, and has not been very effective in strengthening them in the intended ways.

Table 11: Main Types of Report Agribusinesses Received from USAID Projects

Type of Support Received from USAID Projects	Businesses	
	#	%
In-kind grant (equipment, supplies, facilities, etc.)	44	94
Training	36	77
Technical support	30	64
Facilitating links to buyers/markets	20	43
Support in developing a business plan	12	26
Facilitating links to suppliers	10	21
Facilitating access to credit	7	15
Loan (through ADF)	5	11
Support with certification	4	9
Cash grant	2	4

The clarity of rationale for supporting agribusiness has sometimes been weak or stated only in broad terms, especially in the larger projects. These projects were attempting to achieve broad structural change within agriculture, and supporting agribusiness was one component of their strategy. Had the projects been able to specify the types of broader impacts they were hoping to leverage, it is likely that some of the support to agribusiness could have been better targeted. Beyond this fundamental strategic issue, whether or not project support succeeded depended in

large measure on its targeting and delivery. Table 11 shows the most commonly reported types of support the 47 sample businesses received.[50]

In most cases, businesses received a combination of support. As discussed in the response to Question 1b, there are numerous examples of such support leading to positive outcomes for the business. However, there are also equally numerous examples of such support failing to lead to such outcomes. We can conclude that, while such forms of support can be effective, the way the support is targeted (i.e. who receives it) and delivered is crucial in determining outcomes.

The average rate of effectiveness of project support provided to the sample businesses varied by project, from a low of 0% (GDA) to a high of 60% (IDEA-NEW), as shown in Table 12. While these scores are not generalizable to all agribusinesses supported by these projects, they are indicative of the challenges that projects face. When projects gave support to businesses that then failed, such support was therefore ineffective even though some, or even most elements, of such support, may have been well-executed. Among the successful businesses (e.g., those with profitability ratings of 3 or higher), support was assessed to be effective for about two-thirds of them. That is, not all business success can be attributed to project support: some businesses did not benefit significantly from project support, but succeeded anyway, because of the efforts of their owners and because, in most of these cases, they were already well-established businesses prior to receiving the support.

Table 12: Summary of USAID Support Effectiveness by Project

Project	Businesses			Mean Effectiveness Score	Comments
	# in Study	# Active	% Active		
ADP/E	6	2	33	38%	The poor performance of orchards and women's greenhouses contributed to the low figures. This was also the oldest project, with businesses having more time to potentially fail.
AFSA	6	1	17	8%	For AFSA overall, its effectiveness appears reasonable. However, this sample includes the women's FSCs, which all failed.
ASAP	20	16	80	51%	Because ASAP worked with many existing companies, the survival rate of the companies is not necessarily a reflection of project effectiveness (particularly for the AgDepots).

[50] Note that these figures may be underestimates of the actual support given, as these are usually the recollections of owners given verbally, sometimes several years after support was received. Also note some businesses received support from multiple USAID projects, including ones not covered by this study – this support was also noted. All direct loans were given through the ADF, established through the ACE project.

DIRPA	3	1	33	42%	DIRPA was a short project and its main success was in setting up the Balkh Dairy Plant.
GDA	2	0	0	25%	Unfortunately, this small project does not appear to have achieved a lasting impact on agribusinesses.
IDEA-NEW	17	13	76	60%	This project only recently finished, so it is early to assess business sustainability. There is some evidence, however, that it was able to build on previous experiences (as with the orchards).
Other	10	9	90	73%	These figures suggest that the most successful companies have been able to benefit from multiple projects and donors (also making it harder to ascertain their sustainability independent of such support).

Across all projects, similar factors were identified as keys to the effectiveness of support given to agribusinesses. Generally, support must get most of these factors right in order to be effective. In some cases, a single key factor can lead to failure, even if everything else was done right. That is to say, it is easier to fail than to succeed.

Some of these factors are related to the businesses themselves. Projects did not have direct control over these factors, but they did have control in the selection of whom they chose to work with and how they targeted their support. Other factors are related to the quality of support given and the way it was executed. Finally, broader project dynamics can heavily influence the degree to which USAID projects are sensitive to, and able to manage, risks related to both of these factors.

The factors that influence the outcomes of USAID's support to agribusinesses can be divided into three main areas: the business sector, the individual business (or individual, in the case of a start-up), and the delivery of the support itself. We now consider the key factors and related evidence corresponding to each.

a. Selection of the sector

Key factors include:

1. The sector has commercial potential.
2. There are areas within the sector where support from development actors can add value and increase economic opportunities and benefits to Afghans.
3. Project staff has adequate knowledge of the sector.
4. The sector is sufficiently developed for short-term interventions, or else the project can link up with organizations that have a longer time horizon and can add value in targeted areas.

These factors involve deciding which specific sector or area to support. As we have seen, USAID projects have supported input retailers, paravets, the creation of commercial

greenhouses, nurseries, orchards, poultry farms, fruit and vegetable processors, fruit juice factories, cashmere de-hairing facilities, and a factory for manufacturing packing materials. These are all areas where there was a reasonable need and potential for viable commercial activity.

Commercial cold storage is an area that has limited economic viability in Afghanistan. That is, in most cases, the costs of running the cold store are higher than the benefits. However, when cold storage is integrated into an enterprise such as juice production, it can be viable (and very necessary).

Another area of weakness here is the selection of "women's businesses," some of which seem to have limited viability as business ventures from the outset. All the women's farm service centers, for example, did not last beyond the duration of the project. In this case, it was not so much the sector per se that was the issue as it was women's likely role within it, and their likely ability to establish and maintain connections to markets. If a sector was also quite technical (such as greenhouse management) or involved high risk (such as poultry), it also increased the likelihood of failure. With a few exceptions, women's greenhouses, nurseries, and poultry schemes have generally performed very poorly.

ASAP's focus on expanding the cashmere sector appears to have been well thought out and well-executed, for the most part, and support to expanding the capacities of an existing factory to include a de-hairing line was a well-rationalized component of this. However, one major weakness was the duration of the project, which was not sufficient to fully tackle the sorts of changes the project sought (such as widespread behavior change among herders). There was also an identified need for a hybrid breeding program to improve the size of cashmere goats. However, again, the project duration was not sufficient for this. The partnership with DCA somewhat mitigated this, as the committee continued to have some focus on cashmere collection among herders.

Areas where there is room for more intervention include:

- Creation of packing materials: This fulfilled an oft-cited need amongst packers and processors. While the Al-Riyaz factory failed, this does not appear to be due to a flaw in the business model or need (although a cost-benefit assessment of any new venture should be done).
- Quality of agricultural inputs, particularly agrichemicals: This remains a need, and the past efforts to address it have not been effective. It is unlikely that a purely business-driven solution exists: there might be need for an association that receives some financial subsidy to operate, and which plays a key role in testing and certification of high-quality inputs analogous to VetServe or Afghanistan National Nursery Growers' Organization (ANNGO).

- It appears there is further room for engagement in cashmere, although the costs and benefits should be reassessed.
- Based on ASAP's experience, it seems that support to traders has the potential to leverage high benefits. Traders are market-savvy and can bring that knowledge back to their suppliers, as in cases where traders develop contract agreements with farmers. Thus, supporting traders to access new markets can benefit and orient the whole value chain towards these markets.
- Support to small-scale processors catering to domestic markets could potentially leverage high benefits. Export markets remain very risky due to the high costs of transport, the difficulties of certification, and the risks of transit delays that can lead to spoilage. Thus, domestic markets remain important for the majority of Afghan producers and traders, who do not have the resources to take such risks. Small-scale processors tend to engage in domestic markets by sourcing local products and selling to domestic traders. When export or high-value opportunities open up, they will pursue them, but they tend to use lower risk and lower cost approaches that engage a larger number of people as suppliers, workers, and retailers. This is particularly true of women-run processing companies.

b. Selection of the business (or lead individual, in the case of a start-up)

When projects decide which businesses or individuals to support, some of the key factors related to the effectiveness of that support include:

1. The management is proactive and has an idea about what they want and need.
2. The management is motivated and/or has an outlook that is compatible with the aims of the project support.
3. The business' management has adequate technical knowledge (or the capacity to gain this knowledge, and adequate support to do so, either through the project or elsewhere).
4. The business is a valid company, and not a shell company set up for the purpose of collecting aid funds.
5. The business has a valid need for support -- i.e., the support will help the business to attempt something it would not be able to do without the support.
6. Particularly if the business is a collective or jointly-managed business, the administration and decision-making lines are clear and there is adequate trust for the business to function.
7. There are other sources of support available to the business, and the business is able to leverage these.
8. The business has or is able to develop adequate linkages to stable markets.

Some of the projects had clearly-defined selection processes. However, especially when dealing with grant funds, there is room for fraud. Specifically, there were some indications and/or allegations of fraudulent activities in the ASAP, AFSA, GDA, and IDEA-NEW projects. While in most cases, the team did not have enough evidence to judge the accuracy of claims made, such claims were widespread across the projects, and different types of informants shared similar

characteristics that gave credibility to the notion that projects are vulnerable to fraud, and that grant giving increases risk and incentive.

The most commonly reported type of fraud with grants is the creation of fake invoices that inflate the value of in-kind equipment and supplies, so that the project staff or subcontractor is able to pocket the difference. One person, for example, reported receiving a low-quality generator through an IDEA-NEW grant that was invoiced at four times its actual sale price. The reports of poor equipment provided at inflated prices to AgDepots were widespread, and confirmed by former ASAP program staff. While ASAP's chief of party was reportedly informed of this issue, no corrective action was taken.[51] The reason for this is not clear, but in general projects have not necessarily been interested in uncovering and addressing fraud within their own activities, as it would reduce their ability to claim success and may create public relations difficulties.

The evaluation team heard numerous stories of collusion between the project (or the subcontracted parties acting on behalf of the project) and the businesses receiving grants. For example, senior staff in the project are sometimes reported to have favored friends or relatives in providing grants or subcontracts. If a competitive process requires considering multiple entries, business names and forms can appear surprisingly fluid, so it is possible that one proprietor applies for a grant under multiple business entities. One businessman appears to have applied for ASAP support to traders under four different business names.

In some cases, wealthy business owners received grants for assistance on items that they would have had the resources to procure themselves, if they had so wanted. In such cases, the rationale for providing the assistance is not clear. Based on key informant interviews with former project management and staff, the pressure to meet targets and 'spend money quickly' appears to have been a major factor in making decisions based on creating an impression of progress rather than on meeting real needs on the ground. This is not necessarily fraudulent, but is poor development, and can have a negative impact on markets by creating disincentives for people to take loans and by creating unfair competition, as non-subsidized businesses must try to compete with well-connected businesses for access to project grants.

Especially for large and complex ventures (such as processing factories), the capacity and past experience of the management is critical to future success. However, here too, motivation and commitment are important factors, as there have been a few cases of clearly successful businessmen with a good performance records receiving project support but not showing

[51] The evaluation team was not able to secure an interview with ASAP's former CoP, despite repeated attempts.

commitment to the outcome of the ventures to which it was intended; they closed operations at the cessation of funding.

For some small start-ups, past experience and technical knowledge may not be as crucial if the business is relatively simple and the training provided will be sufficient. This is true, for example, for paravets receiving support from DCA. Many do not have relevant experience prior to receiving training, but appear to perform well enough if they are truly committed to it.

Cases where projects have established cooperatives or similar jointly-managed organizations to run businesses have generally not performed well. The Parwan Raisin Growers' Cooperative, established by GDA under Mercy Corps, did not last long beyond the project. The associations set up to manage the dairy microprocessors under DIRPA also did not work effectively. Likewise, the associations set up to link and support FSCs and AgDepots have failed to perform their intended functions. The one exception is the veterinary association and related company (VetServe) set up to support VFUs. This has worked because of the continuous presence and support of DCA. Likewise, project support has benefitted when other donors have managed to establish functional member-organizations, such as the FAO-established Dairy Union that successfully took ownership of the DIRPA-funded Balkh Dairy Plant. The key lesson from these experiences appears to be that associations can be functional, but establishing them takes more time and follow-through than allowed by the USAID project.

Agribusinesses that were able to benefit from USAID support seem to have leadership that was able to negotiate and adjust the support to their own needs. They were often able to get additional support from other donors and projects, and were able to access informal credit or formal credit at low rates. Some of the most successful women's businesses, for example, have received support and mentorship from multiple sources over many years. This creates some challenges for attribution. But it also suggests, similar to the evidence from associations, that a single project cycle is too short a time period to provide sufficient support to start-up businesses or new sorts of ventures.

Finally, some projects created 'artificial markets' for the businesses they support by buying the supplies from the businesses and giving them to other beneficiaries. This was most common among women's businesses (and has also been an issue, outside of USAID projects, for seed multiplier schemes in which the government buys the produced seed). While this is a good idea to get a business started, in most cases these markets are not stable and the businesses falter rather than finding more durable market demands. The same is true for businesses that were focused on supplying expatriate populations in Afghanistan, which were temporary and have reduced in number.

c. Delivery of support

Key factors include:

1. The choice and quality of equipment or materials supplied or funded by the project are appropriate.
2. The project is able to provide support for a sufficient period of time to establish the intended capacity in the business (especially for start-ups). Or, if not, it is able to transfer responsibility to another agency.
3. The project is able to deliver appropriate technical support.
4. The project is realistic in what its support can achieve.
5. The project is able to and committed to achieving long-term objectives beyond just short-term deliverables.
6. The project is realistic about what the market can sustain.
7. Where aspects of business functionality require support outside of the market, the project identifies or develops appropriate channels for this support, and develops effective relationships between the businesses and the support mechanisms.

Since all of the projects used in-kind grants as a main mechanism of support, the choice and quality of equipment or materials provided had a direct impact on the effectiveness of the support. In many cases, these appeared to be both appropriately selected and of good quality. Typically, projects consult with business owners about their needs and their part in the contribution (many grants required a matching contribution by the owner, often of about 25%), create a contractual agreement regarding the support to be given, and then procure the agreed equipment. When this process is done properly, the owner gets equipment matching his/her needs that he/she is able to operate and maintain. However, in some cases, business owners were reportedly not consulted and the equipment was not appropriate. This was most widely reported for the AgDepots, which received a standard set of equipment through Durukshan with reportedly no or little consultation. When equipment was of poor quality, this was usually linked to suspicions or direct evidence of fraud on the part of the project implementer or sub-implementer. There are several credible reports of equipment being purchased at a much lower price than officially claimed.

Knowledge of agriculture, agricultural markets, and the ability to conduct cost-benefit analysis are an essential combination of skills project staff need. Likewise, training and technical support is a major element in the package of support that USAID projects provide. Reports on the quality of technical advice given by projects were mixed, with some reports of unqualified ‘experts’ being brought in by projects. Likewise, a major problem that several key informants had with USAID projects supporting agribusinesses is that the project staff may themselves not have any firsthand business experience, and thus are poorly qualified to make informed judgments about

winning business strategies.[52] Most reports regarding the quality and value of training provided are positive, with the caveat that sometimes training is too brief to achieve the required level of expertise. Again, the AgDepots provide an example of this: training was reportedly of good quality, but widely believed to be inadequate to render AgDepot owners capable of dispensing good advice to their clients.

Where quality or sufficiency of support was reportedly weak, business owners and other key informants often questioned the motives that drove project decisions. In some cases, even former project staff admitted they are not surprised that certain ventures failed – sustainability was a less-pressing concern than meeting short-term project targets. ASAP, which was DCA's main funding source, requested the latter establish a large number of VFUs in the South of the country near the end of ASAP's funding cycle. DCA did so, but when the funding ended, it had to abandon them all, leading to a very high failure rate. This flurry of activity near the end of the project, including new start-ups, is seen among some other projects also. Such practices greatly increase the risk of poor decision-making and of unsustainable ventures, and suggest that projects are sometimes pushed to making easy decisions that target optics rather than results.

Finally, in some of the ventures undertaken, some forms of sustainability outside of the market were required. The extension linkage between AgDepots, the government, and farmers is one such example. Government responsibility for maintaining operations (including research and demonstration activities) at Badam Bagh is another. The full functioning of VFUs has also, to-date, been dependent on ongoing linkage to DCA. USAID's support to VFUs via DCA has allowed such a linkage, but in many other instances, these links have not survived beyond the projects, suggesting this is an area which requires more attention.

Another general comment on project support is that it has tended to be fairly homogenous in the form it takes: in-kind grants augmented by training and often efforts to encourage market linkages (through trade fairs or other means). These forms can be effective, but also create a high risk of fraud or ineffectiveness due to poor business decisions. On the other hand, the anti-fraud checks required on such grants can create extra paperwork and difficulties for business owners, so much so that a few of our key informants questioned whether it had been worth their effort. Rachel Zedeck of Control Union advises her business clients to avoid donor grants for this reason, claiming they would need a senior staff person able to devote about 60% of his time to managing the paperwork for it.

[52] Rachel Zedeck of Control Union, for example, recalled numerous occasions of having spoken to 'private sector experts' without private sector experience. One of the mistakes that they have commonly made, in her opinion, is to focus overly much on export markets, whereas domestic and regional markets are more accessible and have greater potential.

In-kind grants can be justifiable in helping a business to take a risk by expanding into a new market, or to try a new technology or service. ASAP's one-time subsidy to traders so that they could ship produce to new international markets is a good example of this. Grant giving can also be justifiable in helping businesses set up in markets with high needs but limited effective demand (purchasing power). Examples of these include the veterinary field units (VFUs), which are able to provide veterinary services to herders across much of the country due to the start-up support and ongoing training they receive. Conversely, examples of poorly targeted grants include small equipment grants to already profitable companies with wealthy owners, with no strategic goal beyond general business support. If it is in the businesses' interest to acquire such equipment, they should have no reason for such a subsidy. Grants given to start-ups without strong management or a viable market likewise are poor investments that are unlikely to survive beyond the project support. That 94% of businesses in this study received in-kind grants as a major component of USAID support, and that the rationale for selecting companies and issuing such grants was typically weak or entirely lacking from project documentation, shows this is a key area where USAID could greatly tighten project effectiveness.

On the other hand, loans are still broadly seen as a major area of need where USAID could contribute. The Afghanistan Development Fund (ADF) is largely viewed as a success, but it does not meet the needs of all agribusiness owners. Business owners often have problems meeting collateral requirements and prefer *sharia*-compliant loans. Further, ADF does not meet the needs of businesses needing very small loans or loans slightly under one million dollars, both of which crucial areas according to our key informants.[53]

IV. CONCLUSIONS

This study set out to determine the impact of USAID efforts at supporting agribusinesses in Afghanistan. . It used a comparative analysis, including both quantitative and qualitative elements, on a purposive sample of 47 agribusinesses, representing a cross-section of business types that received support from one or more of six completed USAID agricultural projects. The study drew upon additional sources to make broader generalizations about business success where possible.

Fifty-nine percent of the selected businesses were still in full operation at the time of the report, and the support received by the 47 businesses was judged to be somewhat or very effective in about half the cases. There are some supported businesses still in operation for which USAID support did not contribute meaningfully to the businesses' operations. While these findings are

[53] For example, Rachel Zedeck of Control Union stressed the need for loans for 'growth stage' companies that are basically established but growing, and in need of loans of just under or around one million dollars.

not statistically generalizable to the full population of agribusinesses supported by USAID, it highlights the fact that achieving sustainable benefits is certainly possible, but far from guaranteed.

Success and failure has been mixed in most business types, showing that most of the areas where USAID support has been directed have had genuine potential and were valid for donor engagement. One exception is that of commercial cold storage. Although many agribusiness owners identify it as crucial for their development and competitiveness, cold storage is rarely viable due to high running costs. Some other areas, such as poultry farming, already have a high level of private investment and competition. Although this may not have been the case at the inception of the projects, the rationale for donor involvement appears low here.).

The challenges and high risks of conducting business in Afghanistan mean that a degree of failure should be expected. USAID support can help businesses to take risks, absorb them, and explore potential ways to grow the market. Nonetheless, this study found that many of the failures are attributable to factors that were either directly under project control, or could have been foreseen by projects and forestalled through better selection of businesses to receive support and through more rigorous feasibility studies.

This finding is very good news for USAID, as it means there is tremendous opportunity to better leverage future funds for greater gains for agribusiness. The recommendations, presented in the following section, represent our best advice for achieving these gains. One aspect to note is that the project management cycle itself appears to be a significant source of perverse incentives that weakened the projects' capacities to produce the most strategic long-term results in favor of short-term deliverables. This is an area where USAID has a great amount of control.

V. RECOMMENDATIONS

The following recommendations are based on the evidence at hand, which is based largely on assessing the performance of agribusinesses that have received USAID support in the past. In posing recommendations for future action, we note that any future actions also need to be based on updated needs and feasibility assessments. Particularly, the success of any business is tied fundamentally to market needs and dynamics, which are always changing.

These recommendations focus on ways USAID, and its implementing partners, can best direct funds to achieve greater impact on agribusinesses. They are organized under four headings: a) Matching support to development purpose and intended outcomes, b) selection of the sector, c) targeting and delivery of support, and d) monitoring and accountability.

Matching support to agribusinesses to development purpose and intended outcomes

USAID projects can increase the impact of their support to agribusiness by being more rigorous in driving such support according to their overall goals and sub-strategies. For example, if USAID OAG determines that a main priority is increasing income opportunities in rural areas, the most effective support might target low-cost, labor-intensive business efforts aimed primarily at domestic markets.

Sector Selection

Depending on USAID's broader priorities and strategy, specific areas which could benefit further support include:

a. Working with traders to link them to new markets
b. Helping with issues of quality assurance and regulation, most likely through associations.[54] The regulation of agrochemicals is still unaddressed and carries considerable risks.
c. Assessing, testing and establishing new markets, or expanding markets with clear further potential, such as cashmere. This requires more risk than independent businesses can usually manage. However, it also requires a time commitment that expands beyond the usual project cycle, meaning that USAID must coordinate and commit across subsequent projects, and/or partner with a more specialized agency with clear commitment to that sector (e.g. FAO for dairy).
d. Domestic markets have lower barriers to entry and large multiplier effects, so should remain a focus (especially for women's processing companies). However, the flooding of markets with cheaper imports is a commonly reported threat to local businesses. USAID should consider if there are ways it can advise on the selective use of import tariffs to support local producers.
e. Previous projects supported the start-up of a local packaging factory, and a cashmere factory. Both failed, but had promise and many potential benefits to the economy, and so are worth revisiting.

Investigate ways to expand support to low-cost, *sharia*-compliant finance. While ADF gets good reviews, it reportedly does not meet the needs of all borrowers in the absence of intermediaries (i.e. some borrowers need access to smaller and larger amounts than those offered by ADF).

USAID projects can consider ways of addressing transport costs and transport reliability, which impose a major barrier on the trade of Afghan agricultural produce.

[54] Two membership associations for businesses were set up for this purpose, and have not achieved it (DurukshanDurukshan through ASAP and the FSCAA through AFSA). However, it remains critical, and the flaws in those projects were not inevitable.

USAID projects should continue to prioritize water management. Even amongst agribusiness owners, this is seen as a critical issue because a bad drought has huge impacts on the entire agricultural sector.

Targeting and Delivery of Support

For support targeted directly to businesses, projects should establish clearly defined selection criteria and vetting processes to ensure that businesses receiving support are legitimate, capable of using funds effectively, are led by proactive, committed management with adequate technical knowledge (or the capacity to acquire it), and do not have other ready options to achieve the same results (i.e. through self-financing, available loans, etc.)

Grants should only be used when there is a clear rationale for why they are needed and how they can leverage sustained benefits.

Projects should consider ways to address key challenges facing agribusinesses through indirect forms of support such as improvements to regulations, loan availability, extension services for farmers and so forth. Many business owners and managers expressed a preference for such support, and suggested it may be more effective than direct grants. Such support should be clearly linked to a broader strategy.

Because USAID's range of approaches has been limited, consider looking to other donors' experiences for further examples. Some of USAID's more recent projects, including ADF, appear to have innovated new forms of support that may be more effective. This should be further investigated.

When targeting high-priority services (such as extension) to rural populations, blended models that include for-profit and subsidized elements should be considered. Free extension training and small stipends for 'reports' help VFUs to deliver training to dispersed rural herders, for example. Subsidized associations can provide regulation and certification of key inputs or products. Existing examples include the Afghanistan Veterinary Association, supported by DCA, and the Afghanistan National Nursery Growers' Organization (ANGGO), supported by the EU. Both of these help to support a healthy private business sector with improved veterinary medicines and planting materials respectively.

USAID should consider funding directly to well-established long-term partners with strong reputations, external to projects/IPs. For example, If USAID had provided the same level of funding directly to DCA through a partnership agreement, rather than through a succession of

projects, it would have achieved greater value-for-money and provided a level of continuity that could have increased impacts, without being tied to the limits of short-term project cycles.[55]

When providing support to businesses, projects should allow the recipients to define their own needs and the way the support will be used/leveraged, and then assess their requests for viability, including a projection of costs and benefits. For example, cold storage is requested frequently by people on the ground, but will usually fail the cost-benefit check. ABADE's approach of asking entrepreneurs to submit proposals looks promising (although it was not assessed in this study).

Women's businesses should be subject to the same feasibility assessments as other businesses, and should not be supported if sustainability looks unlikely. Likewise, they should be subject to the same anti-fraud measures and criteria for owner selection. However, it should be recognized that women face additional barriers, and may require greater levels of support. Partnering with longer term organizations that can provide mentorship to women may be one solution.

Any projects to support or establish businesses should be designed in close communication with local representatives (business, government, etc.), to ensure that they are viable and realistic.

Monitoring and Accountability

In project work plans and other tools for managing projects, there should be a much greater emphasis on achieving outcomes of quality and likely longevity, and less emphasis on short-term deliverables.

USAID should create clear criteria applicable to all projects regarding the attribution of benefits. This should include standard definitions of full time equivalent (FTE) employment, and other limits to the degree a project can take credit for the success of previously existing businesses.

USAID should create neutral complaint mechanisms and other anti-fraud measures, external to project implementers, to reduce actual or perceived instances of fraud, collusion and incompetence resulting in misspent funds.

[55] For example, the rapid creation of VFUs in the South towards the end of ASAP funding led to insufficient support and a reportedly high failure rate, despite the fact that subsequent USAID projects eventually continued funding.

VI. ANNEXES

ANNEX I: SCOPE OF WORK

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Office of Agriculture (OAG)

Scope of Work: Agribusiness Sustainability Assessment

I. INTRODUCTION

United States Agency for International Development (USAID) has funded more than $2.3 billion in the agriculture sector in Afghanistan since 2002. Most of these investments have been spent through a wide range of activities, targeting almost all of Afghanistan's provinces. USAID Afghanistan has provided a significant amount of support to strengthening agribusinesses under various projects. Under this Work Order, USAID wants to examine the sustainability of agribusinesses that have benefitted from USAID support in the past. Information gathered through this assessment will provide insights and lessons learned that USAID can draw upon during the design and implementation of future efforts to support the agribusiness sector, as well as to inform the USAID Agricultural Sector Assistance Strategy, which USAID is preparing.

Under this task order, the Contractor will contact enterprises that received support from the following projects, assess their current status and the impact of the USAID support that they received.

Program Name	Implementer	TEC	Life of Program	Active Provinces	Region/ Zone
IDEA NEW	DAI	$159.88 million	Mar 2009-Sept 2015	Nangarhar, Kunar, Laghman, Kabul, Kapisa, Panjshir and Parwan	Center and East
ASAP	Chemonics	$ 132.67 million	2006-2011	Active in 34 provinces	All zones
ADP E	DAI	$118.39 million	Feb 2005-Jun 2009	Eastern Region-Nangarhar	Eastern Region
AFSA	CNFA	$8.61 million	Mar 2008-Jun 2012	Kabul (2), Ghazni, Helmand, Kandahar, Laghman, Kunar, and Zabul (Phase One) and Nangarhar, Logar, Wardak, Parwan, Kapisa,	Southern, Eastern and Central Regions

				Takhar, Kunduz, Balkh, Uruzgan, and Nimroz	
DIRPA	Land O'Lakes	$ 7.617 million	Aug 2004-Aug 2006	Balkh, Parwan	NA
GDA	Mercy Corps	$ 2.08 million	May 2008-Oct 2012	Parwan, Kandahar	NA

II. PROJECT INFORMATION

Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW)
USAID's Office of Agriculture launched the Incentives Driving Economic Alternatives for the North, East and West (IDEA-NEW) program in March 2009. The goal of IDEA-NEW is to support the stabilization and transition of Afghanistan by expanding the licit agricultural economy in the northern, eastern and western regions of the country.

While IDEA-NEW supported a considerable number of small, medium and large agribusinesses, this assessment will look only at a sub-set of the larger, more significant firms no longer receiving USAID support. Agribusinesses of interest for the assessment are:

a. Hamesha Bahar Agriculture Services Company, which has been selling agricultural inputs in the eastern provinces for the past 10 years;
b. Nangarhar Agriculture Training Center (NATC), which produces off-season vegetables, seedlings and saplings. The company also provides institutional capacity building and training to nursery owners, farmers and agriculture professional school students;
c. Gift to Zest Food Production Company, which focuses on the production/processing of five main products: jams, pickles, ketchup, sauce and corn flour; and
d. Now Bahar Salrzai Ltd., a sole proprietorship located in Jalalabad city (Input Suppliers' Market). Bahar has been in this business since 1999 and imports seeds, pesticides and fertilizer from Pakistan for re-sale to farmers and retailers in Laghman, Kunar, Kabul, Kunduz, Balkh, Takhar and Baghlan provinces.

Accelerating Sustainable Agriculture Project (ASAP)
ASAP promoted agricultural development with a focus on strengthening agricultural marketing. It focused on key high-value commodities that were identified for domestic consumption and export.

Agribusinesses of interest for the assessment are:

a. Government-owned Helmand Poultry Company and the Bolan Poultry Farm (Helmand province, Southern Afghanistan), which was rehabilitated by ASAP program

b. Omid Bahar Fruit Processing Facility in Kabul, which was established through ASAP's support
c. Hirati Cashmere and Skin Processing Plant in Herat, which was also established through ASAP's support
d. Badam Bagh Research Farm in Kabul– established and rehabilitated by ASAP
e. Agricultural depots established by ASAP (a sample of the 370 Ag depots that were established in 26 provinces of Afghanistan)

Agriculture Development Program (ADP East)

ADP East's overall strategic objectives were: (i) Expanding licit crop production and business activities; and (ii) reducing unemployment and poverty in the Eastern Region.

Agribusinesses of Interest for the assessment are:

a. Al-Riyaz Paking Factory in Jalalabad, developed and supported by ADP E.
b. Masroor Food Processing Factory in Jalalabad, which received technical support from the program

Afghanistan Farm Service Alliance (AFSA)

The goal of the CNFA Afghanistan Farm Service Alliance program was to increase the sales of Afghanistan farmers. The program sought to foster the creation of a rural input distribution system to contribute to increases in smallholder productivity and incomes. The program established 18 Farm Service Centers in 17 provinces, ensuring that Afghan farmers would have access to affordable, timely and reliable access to quality inputs and services such as seeds, fertilizer, crop protection products and agriculture extension. AFSA supported FSCs with matching grant funding, capacity building trainings and network development support.

The Agribusinesses of Interest for the assessment are:

- 2 women-owned Farm Service Centers located in Kabul and Mazar
- As many of the remaining 16 Farm Service Centers as possible.

Dairy Industry Revitalization Project (DIRPA)

The Land O'Lakes project had three "tracks" of activities to address different stages of the dairy value chain. Track 1 focused on developing an abundant supply of high quality raw milk for a modern dairy industry by directly assisting 2,787 dairy farmers in 2 provinces, Kunduz and Parwan. This component of the project was implemented under a sub-agreement to the US-Afghan Reconstruction Council (US-ARC). Track 2 focused on the dairy processing industry in Afghanistan. The project provided technical assistance, training, as well as funding for construction and purchase of equipment in support of four dairies: a medium-scale Balkh Dairy processing plant near Mazar-e-Sharif, the Mountain Pastures Dairy plant in Kunduz, and two micro-processors near Charikar in Parwan. Track 3 included marketing and promotion activities for the dairy industry as a whole.

Agribusinesses of interest for the assessment are:

- The Balkh Dairy Plant
- Two micro-processors near Charikar in Parwan(two milk collecting and processing centers, one in Sofyan Village about 5 Km south of Charikar and the other one is located in Jebul Seraj in north of Charikar.

Global Development Alliance (GDA)
The program directly contributed to bolstering the competitiveness, productivity and incomes of rural entrepreneurs involved in agricultural enterprises. This three year program was expected to create increased income for Afghan participants in the raisin, mushroom and pomegranate value chains by meeting domestic, and regional and international product quality standards.

Agribusinesses of interest for the assessment are:

- The Bagram Fruit and Non-Alcoholic Beverage Company that received support to rehabilitate its raisin factory and renovate the juice Plant

III. PURPOSE OF THE ASSESSMENT

The purpose of this assessment is to uncover issues, concerns and challenges faced by the agribusinesses in question and the entrepreneurs' assessment, in retrospect, of the value of the assistance provided by the completed USAID projects. USAID's injection of significant investments into the agriculture sector of Afghanistan is to improve the quality of life by creating self-sustaining agribusiness that generate employment and boost the local economy. This effort seeks to track the effectiveness of USAID's investments, and measure the extent to which benefiting agribusinesses have been able to survive without USAID assistance.

Additionally, the assessment will provide valuable insights for future activities and improve the implementation of ongoing programs. The outcome of this assessment is expected to provide an opportunity to learn which elements of the completed projects were successfully managed and which ones presented key sustainability challenges. This will help USAID to identify what works within the Afghan context and what does not work in order to avoid repeating similar mistakes in future projects.

IV. ASSESSMENT QUESTIONS

The Contractor will develop a list of questions to solicit the information required by the assessment. The main questions to be answered in this assessment are:

1. How many of the firms identified above that were supported by the selected projects are in operation and what aspects of USAID's investment contributed to their survival?
2. For those firms still in operation, to what extent are they operating above cost compared to conditions that existed before USAID's support?
3. Of those firms that were not able to survive, to what extent was the closure due to discontinuation of USAID funding? What could have been done differently to ensure their survival?

More detailed questions will need to be developed by the Contractor, following discussions with USAID staff. The questions will need to be tailored to the types of enterprises surveyed, based on the nature and value of assistance provided by USAID. Examples of such questions might include:

1. Has the enterprise grown and by how much?
2. What was the size of the firm (e.g., numbers of employees, revenues) before and at present?
3. What have been the secondary benefits of USAID assistance (e.g., indirect impact on households, such as how many households have increased their sales to the agribusiness over time)?
4. Did the firm receive help from other donors?
5. If an enterprise went out of business, how long after USAID support ended and to what did they attribute the failure (e.g., expected market opportunities didn't develop; farmers didn't understand concept of contracting and reneged on commitments to sell to the firm that provided them with assistance; there was competition from other firms with better political or trade connections; the firm couldn't meet quality requirements of buyers)?
6. If the firm is still operating, what has been their experience in recent years? What challenges have they encountered? How have they dealt with insecurity in their area for their on and off farm activities like marketing. What are the lessons learned and their implications on the other projects and firms?
7. To what extent does/did the firm employ women and what challenges were encountered in employing women? What particular efforts have been done/are being done to mitigate the identified challenges?
8. What were the pluses and minuses of working with the implementing partner?

The questions should be tailored to the business, and will be different depending on whether the firm is still active or closed.

V. METHODOLOGY

First Step: Desk Review and work planning

1. Review of the SOW and request for clarifications, if any.
2. In-briefing with OAG (by phone if necessary).
3. Prepare a work plan, including a final list of assessment questions, and make revisions based on clarifications received and meetings with USAID and MAIL. Prepare a tentative outline of the final report (see proposed format, below).
4. Review available program documents, identify and select feasible number of the 370 agricultural depots and the 14 FSCs to be visited, based on location and convenience; identify targeted geographical areas for site visits; and acquire contact information for target beneficiaries and firms for the start-up of the assessment.
5. Articulate hypotheses to be examined, based on the review of available documentation and discussion with USAID and implementing partner personnel. Prepare detailed Interview/survey questions for each identified firm, and site maps. It should be recognized that this assessment will not involve a statistical analysis of quantitative survey responses. It will largely involve key informant interviews. The contractor should, based on initial discussions and the literature review, formulate hypotheses that should be explored during the interviews with representatives of former beneficiary firms and others. To the extent possible, information collected that is amenable to statistical analysis should be so analyzed and reported. Tables (e.g., number, size and type of firms

interviewed by geographic region, % of the firms that had folded, size of the firms before and after, etc.) should be included where possible.

6. USAID and relevant stakeholders will provide the assessment team with a package of briefing materials, including work plans, technical reports, and evaluations of the relevant USAID/Programs (ASAP, ADPE, AFSA, GDA, DIRPA)

Second Step: Data collection/Survey/Site visits and Interviews

1. Begin on-sight interviews with key informants familiar with the enterprises being reviewed. These may be individual entrepreneurs or business owners, representatives from local business organizations, local officials, local NGOs, representatives of other firms in the sector or area, etc.
2. Upon the completion of the data collection activities, give a PowerPoint presentation on the initial findings/observations from the interviews to USAID Office of Agriculture staff.
3. If an enterprise is no longer operating, efforts will be made to locate the former owners/stakeholders, or to reach out to key informants from implementing partners, local officials, or others who might be familiar with the firm. The contractor will develop a set of interview questions applicable in such cases.

Third Step: Analysis

The assessment team will prepare a draft report and present it to OPPD and OAG. The report should contain a meta-analysis addressing the questions and introducing new points of weaknesses, negative and positive feedbacks from the field and suggestions as well as recommendations for future activities from the beneficiary, IP and assessment team points of view. The final report will be prepared within 10 working days after receiving comments from OPPD and OAG.

VI. ASSESSMENT TEAM COMPOSITION

The Contractor will propose to USAID the structure and composition of the team to carry out this assignment. USAID suggests that a two or three person team, supplemented by local Afghan technical and logistic expertise, would be sufficient. The Contractor will need to describe the methodology for carrying out the interviews/assessments, as well as the composition of the interview teams. Sufficient staff will be needed to conduct the interviews. However, this task will not require the recruitment of "enumerators" to ask a set of standardized questions.

The team would need to have expertise in evaluation methodology, agricultural production and marketing, agribusiness development, and financial/economic analysis. The senior members of the team should have experience and knowledge of the Afghan agricultural sector. The team must have the technical capacity and writing skills needed to produce a comprehensive, accurate, and readable report assessing the sustainability of past USAID support for agribusiness development. One of the consultants should be designated team leader, to coordinate the work of the other team members, ensure quality control, and ultimately be responsible for the delivery of the final report to USAID.

VII. ASSESSMENT SCHEDULE

USAID believes that completing this assignment would take approximately 10 weeks, of which at least 8 weeks should be spent in Afghanistan. The Contractor should propose concrete dates for each stage of the assessment.

The evaluation team is authorized to work six days a week. The team is required to travel to the north, south, east and west of Afghanistan where program activities of interest were implemented. It is anticipated that a significant proportion of the consultants' time will be spent outside of Kabul conducting interviews with stakeholders, targeted firms and prior owners, farmers, and private and government agencies. An illustrative example of the level of effort (LOE) is provided below.

Illustrative Level of Effort (LOE) in days

Position	Prep	Travel	In-Country	Report Finalization	Total LOE
Expat Team Leader -Finance/SME/Economist	5	4	58	5	72
Expat Ag Economist/Specialist	5	4	58	5	72
1 - Afghan Technical expert/assistant	1		55		56
2 - Afghan Technical expert/assistant	1		55		56
SUPPORT-II Evaluation Specialist					
Totals	12	8	226	10	256

IIX. MANAGEMENT

The Contractor, Checchi Consultant, Inc., will identify and hire the assessment team and submit the names of the team members for the Contract Officer's Representative's (COR's) concurrence and CO approval. The Contractor will support the assessment team in preparing a work plan, and arrange meetings with key stakeholders identified prior to the initiation of the fieldwork. The assessment team will organize other meetings as identified during the course of the assessment, in consultation with the contractor and USAID/Afghanistan. The contractor is responsible for all logistical support required for the assessment team, including arranging accommodation, security, office space, computers, internet access, printing, communication, and transportation.

The assessment team will officially report to the Contractor. The Contractor is responsible for all direct coordination with USAID/Afghanistan, through the Office of Program and Project Development (OPPD) COR. From a technical management perspective, the evaluation team will work closely with:

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IX. DELIVERABLES AND REPORTING REQUIREMENTS

(This is a suggested schedule. The contractor is invited to suggest changes in the proposal).

1. **Remote desk review and draft work plan:** The assessment team, in communication with USAID/Afghanistan OAG staff, should conduct desk review of all identified projects and selected agribusinesses, and prepare a draft work plan.

2. **In-briefing:** Within 48 hours of arrival in Kabul, the assessment team, should have an in-brief meeting with the OPPD M&E unit and the OAG for introductions and to discuss the team's understanding of the assignment, assumptions, evaluation questions, methodology, and work plan; and/or to adjust the SOW, if necessary.

3. **Assessment Work Plan:** Within three calendar days following the in-brief, the assessment Team Leader shall provide a revised work plan to OPPD's M&E unit and OAG. The work plan will include: (a) the overall assessment design, including the proposed methodology, data collection and analysis plan, and data collection instruments; (b) a list of the team members indicating their primary contact details while in-country, including the e-mail address and mobile phone number of the team leader; and (c) the team's proposed schedule for the evaluation. The revised work plan shall include the list of potential interviewees and sites to be visited.

4. **Mid-term Briefing and Interim Meetings:** The Assessment team should hold a mid-term briefing with USAID on the status of the assessment including potential challenges and emerging opportunities. Additionally, a weekly 30-minute phone call with OPPD's M&E unit and OAG will provide updates on field progress and any problems encountered.

5. **PowerPoint and Final Exit Presentation:** The Assessment team should also hold a final exit presentation to discuss summary of findings and recommendations to USAID. This presentation will be scheduled, as agreed upon during the in-briefing, and ten days prior to the assessment team's departure from Kabul.

6. **Draft Assessment Report**: The draft report shall be consistent with the format and guidelines provided below. Length of the report shall not exceed 50 pages, exclusive of Annexes in English, using Times New Roman 12 point font, 1.15 line spacing, and consistent

with USAID branding policy. The report should address each of the issues and questions identified in the SOW and any other factors the team considers to have a bearing on the objectives of the assessment. Any such factors can be included in the report only after consultation with USAID. The draft evaluation report, per the format below, will be submitted by the Team Leader to OPPD's M&E unit 24 hours in advance of the exit briefing for review and comments by USAID. USAID's M&E unit and OAG should have ten calendar days in which to review and comment and OPPD's M&E unit shall submit consolidated comments to the Team Leader.

7. **Final Assessment Report:** The final report should incorporate comments provided by OPPD and OAG. USAID comments are due within ten days after the receipt of the initial draft. The final report should be submitted to OPPD within five days of receipt of comments by the Team Leader. All project data and records should be submitted in full and shall be in electronic form in easily readable format; organized and documented for use by those not fully familiar with the project or evaluation; and owned by USAID.

X. SUGGESTED REPORT FORMAT

The evaluation report could be structured as follows:

1. Title Page
2. Table of Contents
3. List of any acronyms, tables, or charts (if needed)
4. Acknowledgements or Preface (optional)
5. Executive Summary (3-5 pages)
6. Background
    a. Brief background information about Afghanistan Agriculture Situation, its role in GDP, GNP and National per Capita Income
    b. A description of the geographical area surveyed
    c. GIS MAP of the surveyed areas
    d. Assessment major questions
7. Description of Methodology
    a. Brief description of the methodology used in the Assessment, including desk/document review, interviews, site visits, data collection.
8. Analysis: This section should describe, consolidate and analyze the collected information, describe findings, focusing on each of the Assessment major questions. Moreover the analysis by consultants should be to validate the hypotheses supporting each project or otherwise.
9. Conclusions: This section should include value statements drawn from the information gathered during the evaluation process.
10. Recommendations: This section should include recommendations for existing programming and for the design and performance of future programming.
11. Annexes
    a. Scope of Work
    b. Firms and enterprises reviewed (including brief description of the firm; nature, amount and date of the assistance provided by USAID; nature of interview (on-

site/phone interview), responsibilities/roles of the persons interviewed/contacted)/dates of interviews and locations visited (a separate list of the names and contact numbers of persons interviewed will be provided to USAID, but not included in the report itself to ensure confidentiality)

c. Methodology description
d. A list of structured interview questions
e. List of key documents reviewed

XI. REPORTING GUIDELINES

- The Assessment report should represent a thoughtful, well-researched and well-organized effort to objectively assess the effectiveness of USAID's investments.
- The Assessment report shall address all major questions included in the statement of work.
- The Assessment report will be written in professional English, free of grammatical and typographical error, and with professional formatting.
- The Assessment report should include the statement of work as an annex. Any modifications to the statement of work, whether in technical requirements, questions, team composition, methodology, or timeline need to be agreed upon in writing by the USAID.
- The Assessment methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists and discussion guides will be included in an Annex in the final report.
- Limitations to the Assessment shall be disclosed in the report, with particular attention to the limitations associated with the assessment methodology (selection bias, recall bias, etc.).
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

DRAFT WORKPLAN

Agribusiness Sustainability Assessment

Submitted on:

October 15, 2015

Purpose of this Assessment

As stated in the SoW for this assessment, the United States Agency for International Development (USAID) has funded more than $2.3 billion in the agriculture sector in Afghanistan since 2002 – an average of $177 million per year for 13 years. One area of significant investment within this sector has been support to strengthening agribusinesses.

Through this assessment, USAID wants to examine the sustainability of agribusinesses that have benefitted from USAID support in the past. Information gathered through this assessment will provide an updated snapshot of the status of agribusinesses supported through past efforts, as well as insights and lessons learned that USAID can draw upon during the design and implementation of future efforts to support the agribusiness sector. It will also be used to inform the USAID Agricultural Sector Assistance Strategy, which USAID is currently preparing.

Background

USAID has funded 46 completed agricultural projects since 2002, and 11 projects that are now underway. Of the 46 completed agricultural projects, 17 included a significant component focused on supporting agribusiness.[56] These projects have taken a wide range of approaches to supporting different types and sizes of agribusinesses. In some cases, projects supported the rehabilitation of agribusinesses that had faltered during the decades of conflict. In other cases, projects established agribusinesses from scratch, and sometimes also helped to establish supporting structures. Other interventions included provision of credit, training, and other services intended to strengthen and grow agribusinesses. Many projects included specific focus on engaging women in agribusinesses, including supporting the start-up of women-owned businesses.

Most of these projects undertook other activities to improve agricultural productivity and market linkages at the same time as providing support to agribusinesses. Many projects took a value-chain approach, and supported agribusinesses at key points within value chains, including input supply, storage, processing, and trade/export. These approaches recognized that there were many areas of likely market failure within any given value chain, and so the success of their support to agribusinesses depended also in part on the success of other aspects of interventions (e.g. farmers' ability to meet quantity and quality requirements, infrastructure, the creation of markets and business parks, etc.). Many projects found they had to adapt their approaches as they went along.[57]

USAID's support to agribusiness was intended to have a broader impact on quality of life by generating employment and boosting the local economy through these agribusinesses, that were

[56] This information is based on a review of completed projects listed on USAID's website at https://www.usaid.gov/afghanistan/agriculture, accessed September 29, 2015

[57] These observations are made based on a review of project documentation – namely, final and annual reports from 6 projects selected for inclusion within this study.

intended to be self-sustaining by the close of the projects.[58] This study will therefore consider both the degree to which previously supported agribusinesses have been able to sustain themselves (i.e. whether they are still operational, and if they are achieving this independently, or through further support from other projects), and the degree to which they appear to have contributed to broader quality-of-life through economic opportunities (employment and trade/business opportunities, as well as products and services) to Afghan men and women. This study focuses foremost on the current and likely future sustainability of previously supported agribusinesses, as their ability to sustain themselves without continued donor intervention is fundamental.

Definition of agribusiness: The term 'agribusiness' has not been explicitly defined in USAID projects and has not been used consistently throughout these projects. i.e. There is sometimes an implicit definition that excludes some commercial entities within agricultural value chains. For example, ASAP's final evaluation explains that ASAP worked with 6 agribusinessses and 57 agricultural traders, excluding the latter as agribusinesses.

For the purpose of this assessment, we define agribusiness as any commercial entity within any part of the agricultural value chain, from inputs to production to processing to trade.[59] Excluded are small family farms with mixed production (for both sale and consumption), although purely commercial farms are included.

Approaches to supporting agribusinesses:
A review of project documentation already outline that major approaches to support included the provision of grants, equipment, buildings, training, technical assistance in developing business plans, and other forms of support. Some agribusinesses were established from scratch, others were rehabilitated after having run into difficulties, and others were functioning businesses that received support to expand their range of products and services, to reach new markets, or to improve in some other dimension.

Through the course of this assessment, the team will seek to further understand and categorize the different approaches that USAID projects took to supporting agribusinesses, for the sake of comparing these approaches in terms of sustainability outcomes. Many of the projects took a value-chain approach, in which support to specific agribusinesses was part of a broader attempt to improve the value chain. For example, DIRPA (one of the projects included in the sample for this study) supported the establishment of a dairy processing plant in conjunction with improving quality and quantity of milk production at the farm level and organizing village collection centers. The sustainability of the dairy plant will be dependent in part of the success of efforts in other parts of the value chain.

[58] As stated in the SoW for this study. It may also be worthwhile to review changing USAID results-frameworks for agriculture over this time period as part of the background for this study.
[59] Ownership of such entities can include sole proprietors, partnerships, corporations, cooperatives and state corporations.

Assessment Questions

What difference did USAID's interventions make to the agribusinesses that received support?

a) How many of the businesses in this study are still in operation? What have been the trends (before, during, and after USAID involvement) in terms of sales, number of employees, market share, etc. for these firms?
b) How did USAID's support influence the capacity and ongoing operation of the supported businesses (e.g. innovation, new markets/products, resilience, ability to solve emerging problems, etc.)?
c) Were there outside factors that played a significant role in the sustainability of these operations?

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

a) How much employment have the supported businesses generated?
b) To what extent have the businesses supported had an impact on other businesses (e.g., suppliers)?
c) Has USAID support to these businesses resulted in perceived multiplier effects to the economy?[60]
d) Are there any observed or perceived negative impacts to the local economy because of the business? (e.g. unfair competition to other local businesses, unsatisfactory employment conditions, etc.)

What difference did USAID's interventions make to women's access to and participation in agricultural value-chains? (i.e. women's engagement as managers/owners, employees, suppliers, or customers). What has been the overall trend in women's engagement over time?

What forms of support appear to have been most successful in establishing and/or strengthening agribusinesses, and under what conditions?

a) Which intervention strategies and processes appear to have been most successful?
b) Were there characteristics of the agribusinesses and the contexts in which they were operating (value chain, location, etc.) that contributed to success?
c) To what degree were the interventions were able to meet their intended goals and why or why not?

Conversely, what forms of support appear to have been least successful and/or what conditions appear to have been most challenging, and why?

[60] Examples may include the replication of interventions by other enterprises, general expansion of markets, or impacts on sectors due to the provision of goods and services (for example, increased use of machinery due to the creation of equipment production or maintenance firms)

1. Methodology

Overall design

To answer the questions above, the study will use a mix of quantitative and qualitative methods that will allow for generalization back to the broader population of agribusinesses supported by USAID projects, along with more indepth insights related to what worked well and what did not in USAID's interventions.

The study samples from six projects, out of the total of 17 completed projects that have provided support to agribusinesses. From these selected projects, it again samples a select number of agribusinesses (at least 30) to follow up on their status and retrospective learning about the support that they received from USAID.

In addition to directly targeting agribusinesses that received support from USAID, the study team will consult with key informants who have knowledge of the businesses and of the broader agricultural economy. These key informants will be identified primarily through review of project documents, and secondarily by the 'snowball' technique, whereby we ask key informants to recommend others with whom we should speak.

Criteria for selection of projects:

- The project should have had a significant focus on the support of agribusiness
- Collectively, the projects should include a range of scales, geographic focal areas, approaches to supporting agribusinesses, and types of agribusiness that represent a cross-section of USAID's overall support to this sector.

The six projects included in this study were suggested by USAID's Office of Agriculture. They are summarized in the table below.

Program Name	Implementer	TEC	Life of Program	Active Provinces	Region/ Zone
IDEA NEW	DAI	$159.88 million	Mar 2009-Sept 2015	Nangarhar, Kunar, Laghman, Kabul, Kapisa, Panjshir and Parwan	Center and East
ASAP	Chemonics	$ 132.67 million	2006-2011	Active in 34 provinces	All zones
ADP/E	DAI	$118.39 million	Feb 2005-Jun 2009	Eastern Region-Nangarhar	Eastern Region

AFSA	CNFA	$8.61 million	Mar 2008-Jun 2012	Kabul (2), Ghazni, Helmand, Kandahar, Laghman, Kunar, and Zabul (Phase One) and Nangarhar, Logar, Wardak, Parwan, Kapisa, Takhar, Kunduz, Balkh, Uruzgan, and Nimroz	Southern, Eastern and Central Regions
DIRPA	Land O'Lakes	$ 7.617 million	Aug 2004-Aug 2006	Balkh, Parwan	NA
GDA	Mercy Corps	$ 2.08 million	May 2008-Oct 2012	Parwan, Kandahar	NA

All of these projects meet the first criterion individually, and collectively meet the second criterion, as they appear to represent a fair cross-section in terms of scale, regional focus, support provided and agribusinesses targeted.

Collectively, these projects supported a large number of different types of agribusinesses. A complete list of all agribusinesses supported by these projects, with contact information, is not available. Therefore, the selection of agribusinesses included in this study is based on a combination of convenience/availability and purposive sampling. Namely, the study aims to include agribusinesses that represent main business types from the different stages of the value chain that have received USAID support over the years, as shown in Figure 1 below.

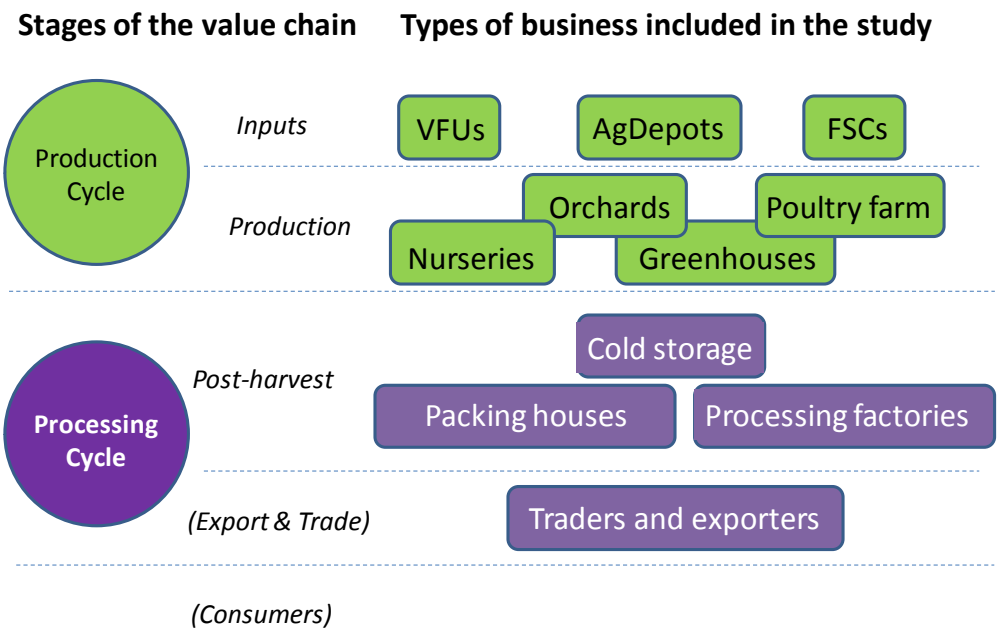

Figure 3 Types of agribusiness included in the study

For most types of agribusiness, the sample will be purposive/convenience-based, and any statements about the overall success rate of businesses will be largely anecdotal, although

corroborated by multiple evidence sources where possible. However, for VFUs, AgDepots and FSCs, full contact information for all the original businesses exists, and therefore the study will include a formal random sample of each for the purposes of providing statistically valid claims about the overall success rates.

The in-depth qualitative component of this study will be conducted on a smaller purposive sample of at least 30 of these agribusinesses, according to the following suggested criteria:

a) The agribusinesses selected should include a mix of small, medium and large enterprises, with a relatively larger proportion of large enterprises included in this mix, because intensive support to large enterprises absorbed a significant amount of USAID funds.
b) The agribusinesses selected should have stopped receiving USAID support for at least two years (i.e. since September 2013).[61]
c) The agribusinesses selected should include some women-owned businesses, or businesses that made a specific effort to engage and empower women.
d) The agribusinesses selected should be from a range of regions and different value-chains.
e) The agribusinesses selected should reflect the range of business types that USAID projects supported, including input suppliers, greenhouses, nurseries, commercial orchards, commercially-operated cold storage facilities, packers and processors, and traders/exporters.[62]

The exact number of agribusinesses included in the final study will vary depending on security conditions and availability of key business contacts. The team will adjust and adapt as necessary so that the final sample is as representative as possible of the various agribusinesses that USAID has supported in Afghanistan over the past 13 years, and targets will be expanded if necessary so that a minimum of 30 agribusinesses are included.

A full list of initially targeted agribusinesses is included in Annex 2. In some cases, the team is still verifying exact business names and contact information. In the case of IDEA-NEW agribusinesses, the team will ask the IP and other key informants for suggestions of agribusinesses that received support earlier in the project.

Data collection methods

This assessment will use the following data collection methods:

d) Document review of all project-related documents, including workplans, reports, and evaluations
e) Phone survey of a random sample of ASAP-supported Agdepots
f) Phone survey of all FSCs for which contact information can be obtained

[61] This criterion will be applied flexibly, especially for businesses that received support from IDEA-NEW.
[62] In addition, USAID has supported a small number of commercial farms. However, this has not been a major focus and therefore has been omitted from this study.

g) Profiles of at least 30 agribusinesses, including site visits and management interviews[63]
h) Key informant interviews with relevant government officials, producer associations and chambers of commerce
i) Key informant interviews with suppliers and/or customers of the above agribusinesses where possible
j) Key informant interviews with implementing partners associated with past or current USAID projects supporting agribusinesses.[64]

Document Review

Past project documents provide an important data source for this assessment, as many project implementers are no longer contactable. Thus, this is the main source of documentation regarding the initial rationale for supporting various types of agribusiness, the type of support given, the intended outcomes, and the initial assessment of success and issues around sustainability. The assessment team has already undertaken a first round of document review, and will continue to refer to documentation as they engage with agribusinesses through the course of this study.

Phone Surveys

The team will conduct a phone survey of a random sample of agricultural depots, drawn from the contact list provided by USAID, plus all 17 FSCs. The suggested questions for the phone surveys are included at the end of this work plan. The main purpose of the phone survey is to gain information on the degree to which these businesses are still operational.

Secondary Statistical Data

In addition to the phone surveys, the research team will attempt to gather contact information and/or secondary data on other types of agribusinesses, including veterinary field units (VFUs), nurseries, greenhouses, orchards, commercially-operated cold storage, packing/processing businesses, and exporters/traders. This will help the team to assess the overall rate of success/survival within each of these business types, and where possible, amongst those businesses that received support from USAID. Where the team is able to get sufficiently complete contact lists, additional phone surveys of specific types of agribusinesses (e.g. nurseries, VFUs) may also be completed.

Management Interviews and Site Visits to Agribusinesses

The agribusinesses to be visited are clustered regionally (Central, West, East, North, South). The assessment team will deploy to each region and conduct a site visit to each agribusiness, including observational assessment and management interviews. For select agribusinesses,

[63] Some site visits may be substituted with phone interviews or in-person interviews with management off-site due to security concerns – especially in Nangarhar.
[64] Efforts will be made to contact staff from the IPs who were involved with the six selected projects. However, due to the fact that these projects are finished, it may not be possible to reach all of them.

especially larger ones, the team will attempt to contact further references to validate and triangulate information provided by the businesses, and to further understand the broader impact of the business on the local economy and livelihoods. Particularly, for these businesses, the team will attempt to speak with suppliers and/or customers where possible, and in some cases, the team may also contact competing businesses as comparators.

Key informant interviews

In Kabul, and within each of the regions, the assessment team will also interview key informants, including the implementing partners of the former projects, and of related current projects (such as FAIDA, CHAMP and ABADE), relevant government officials, producer associations and chambers of commerce. The purpose of these interviews is to gain contextual information on the overall performance of agribusinesses and agricultural markets within the region which can aid in analysis of individual business performance against broader trends.

Analysis

The analysis will draw on the data collected to answer the assessment questions: namely looking at the contribution of USAID's interventions to the agribusinesses studied, what approaches seemed to work best, and what approaches seemed least likely to work, with reasons why. This will then lead to a series of recommendations to inform future USAID projects.

Survey results will be analysed quantitatively to determine the survival rate of agdepots, and FSCs, and some financial information related to profitability will be quantitatively analysed. However, the bulk of analysis will be qualitative, based on searching for patterns associated with success and failure of businesses as attributable to USAID support. The team will take an open-ended approach as to what the nature of these patterns may be and what factors may be most salient in determining agribusiness success or failure: (i.e.type of business, type of intervention, micro-aspects of the interventions, etc.).

Limitations and mitigation

From the outset, the team recognizes that this assessment must contend with a number of predictable limitations. These include:

1. Response bias: businesses that previously received assistance and stopped may wish to receive more support, and are likely to answer in the ways that they believe will lead to such support (above the ways that may most accurately reflect their current situations)
2. Businesses can be very private about their financial health, and may not wish to share their financial details with the assessment team.
3. The prevailing security situation across the country is poor, and is in flux – this may limit the team's ability to visit businesses.
4. Attrition of information over time: For those businesses that received support longer ago, and for businesses that failed/dissolved or relocated, follow-up may not always be possible.

The team will take all steps possible to mitigate the above limitations, by including a larger target sample of businesses than they intend to actually visit (to allow for attrition and security limits), triangulating information sources as broadly as possible (through methods and data

sources), by using phone interviews and off-site interviews when site visits are not possible, and by seeking ways of asking businesses for performance information that will not be considered too invasive (e.g. Asking about trends and general figures rather than exact figures, etc.).

Team Members

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1. DELIVERABLES AND ACTIVITY SCHEDULE

Deliverables	Date Due
In-briefing / SOW Presentation	5 October
Work Plan	6 October
Mid-Term Briefing	5 November
Draft Assessment Report	2 December
Final Exit Presentation	3 December
Consolidated feedback from USAID to be received	30 December
Final Assessment Report	10 January

Activity Schedule

Week	Starting	Key actions
1	Sunday, 20 September 2015	Review project documentation for 6 projects, start work planning
2	Sunday, 27 September 2015	Travel, arrive in post, in-briefing and preparation of work plan

3	Sunday, 4 October 2015	Finalize work plan and receive approval, develop and pilot instruments, key informant interviews
4	Sunday, 11 October 2015	Telephone survey of agdepots, continuation of pilot test of business interview instruments, key informant interviews in Kabul
5	Sunday, 18 October 2015	Telephone survey of farm service centres, key informant interviews in Kabul
6	Sunday, 25 October 2015	Field trip to Jalalabad - visit selected agribusinesses, plus key informant interviews (DAIL, producer associations, etc.)
7	Sunday, 1 November 2015	Field trip to Herat - visit selected agribusinesses, plus key informant interviews (DAIL, producer associations, etc.)
8	Sunday, 8 November 2015	Field trip to Mazar - visit selected agribusinesses, plus key informant interviews (DAIL, producer associations, etc.)
9	Sunday, 15 November 2015	Visits to businesses around Kabul and Parwan. Parallel coordination of visits to agribusinesses in Helmand (reduced sample).
10	Sunday, 22 November 2015	Data analysis
11	Sunday, 29 November 2015	Data analysis and write-up. Submit draft report, and exit brief.
12	Sunday, 3 January 2016	Respond to USAID feedback to finalize report. Submit final report.

Suggested Report Structure

- Maximum of 50 pages
- Title Page
- Table of Contents
- List of any acronyms, tables, or charts (if needed)
- Acknowledgements or Preface (optional)
- Executive Summary (3-5 pages)
- Background
    - Brief background information about agriculture in Afghanistan over the last 10 years, and in relation to the Afghan economy, including reference to relevant statistics (i.e. GDP, GNP, export figures, etc.).
    - Brief background on USAID interventions to support agribusiness in Afghanistan
    - A brief introduction to the agribusinesses selected, including their type, size, locations, etc.
    - GIS MAP of the surveyed areas

- Assessment questions
- Description of Methodology: Brief description of the methodology used in the assessment, including the overall design and selection process, desk/document review, interviews, site visits, data collection.

- Findings: This section will constitute the bulk of the report and will present findings under each of the assessment major questions.
- Conclusions: This section will consolidate the findings to summarize the most significant findings and their interpretation as pertains to the sustainability of USAID's support to agribusinesses.
- Recommendations: This section will include recommendations for current and future programming.
- Annexes
  - Scope of Work
  - Firms and enterprises reviewed (including brief description of the firm; nature, amount and date of the assistance provided by USAID; nature of interview (on-site/phone interview), responsibilities/roles of the persons interviewed/contacted)/dates of interviews and locations visited (a separate list of the names and contact numbers of persons interviewed will be provided to USAID, but not included in the report itself to ensure confidentiality)
  - Methodology description
  - Interview guides
  - List of key documents reviewed

Annex 1: List of Interview Questions

This list of questions or topics for discussion provide a general guide for interviews and qualitative analysis of relevant documents. Questions will be tailored as appropriate to the respondent. The methodology for assessment will include formal interviews with key respondents and review of relevant documents described in Section 2 above.

Questions for phone survey of Agricultural Depots and Farm Service Centres

k) Are they operating?
l) If not, why did they close down?
m) If yes, how is business? Are they able to make a profit?
n) What products do they offer? How many products?
o) What services, if any, do they offer to their clients?
p) How many employees do they have?
q) How many customers, on average, do they estimate they serve per month?
r) Can they describe their customer base?
s) Main business success?
t) Main business challenge?

Questions for management of agribusinesses: (during site visits)

These questions are indicative/draft and are organized under main topics. As businesses may be unwilling to share detailed information, particularly regarding finances, in which case the team will ask more general questions to get at the same information to the degree possible.

Overall background

a) When did this company start?
b) Who started the company, and how?
c) What does the company do?
d) How many people does the company employ? Men? Women?
e) Does the company have any contracts with suppliers, or informal agreements with suppliers? Please explain?
f) Who is the company's customer base?

Financial

a) What have been your interactions with banks? Results? Are they prepared to service your needs?
b) Does your company have any loans at present? If so, with which bank or financial institution? For how much?
c) Does your company have a line-of-credit at present? If so, with which bank or financial institution? For how much?
d) Balance sheet – assets/liabilities – debt?
e) Income statement – profitability?
f) Cash flow statement – cash on hand?
g) Financial strength?
h) Profitability & growth?

Management

a) Does your company have a business plan?
b) How long has the company had a business plan?
c) How is the company managed?
d) Does the company have a board of directors?
e) [Where possible, get third-hand subjective assessments of performance, credibility, also interviewer's assessment based on the quality of the interview]

Technical Capacity of Company

a) Can you describe the educational background of your management team?
b) What is the educational background of your staff?
c) What informal training or experience do your staff have?
d) Do you judge the staff's current capacity to be sufficient to meet the requirements of their work? Please explain.

e) How do you make sure that you and your staff have the technical abilities needed to perform your work at a high level?

Support Received From USAID

a) What exactly did USAID provide? Equipment? Training? Loans? Grants? Other? (exact details). What do you still use today and plan to use into the future? (What has not been of value?)
b) If you received equipment, have you been able to maintain it?
c) If you received equipment, is it still in use? [ask to observe it, if possible]
d) In the intervening period from the end of the project to today, how has the company performed?
e) Has any other project contributed anything to your company? If so, what and when? Details. Are there any ongoing interventions or any planned for the future?
f) # Jobs created as a direct result of assistance? # Women?
g) Exact results? Degree of success? Lessons learned – successes and failures. What did the project allow you to do that you would otherwise not have been able to do? How?

Annex 2: List of Companies Selected for Site Visits

Note that the smaller operations have only been identified in terms of geographic region. For these, specific contacts will be collected through relevant associations (e.g. producer groups, nursery growers associations, etc.). In addition to this list, at least 3 businesses that received support from IDEA-NEW will be included in the assessment (location and type to be determined).

Company name	Value chain	Type of business	Location	Region	Project
Agricultural depot #1	Various agriculture	1. Input supplies and extension services	Mazar	Multiple	ASAP
Agricultural depot #2	Various agriculture	1. Input supplies and extension services	Parwan	Multiple	ASAP
Agricultural depot #3	Various agriculture	1. Input supplies and extension services	Herat	Multiple	ASAP
Helmand FSC	Various agriculture	1. Input supplies and extension services	Helmand	South	AFSA
Helmand Poultry Company/Bolan Poultry Farm	Poultry	1. Input supplies and extension services	Helmand	South	ASAP
VFU #1	Livestock	1. Input supplies and extension services	Herat	West	ASAP
VFU #2	Livestock	1. Input supplies and extension services	Mazar	North	ASAP
VFU #3	Livestock	1. Input supplies and extension services	Mazar	North	ASAP
Woman-owned FSC #1	Various agriculture	1. Input supplies and extension services	Kabul	Central	AFSA
Women-owned FSC #2	Various agriculture	1. Input supplies and extension services	Mazar	North	AFSA
Nursery #1	Vegetables	2. Nursery	Jalalabad	East	ADP East
Nursery #1	Vegetables	2. Nursery	Jalalabad	East	ADP East
Commercial orchard #1	Fruit	3. Commercial orchard, farm or greenhouse	Jalalabad	East	ADP East

Commercial orchard #2	Fruit	3. Commercial orchard, farm or greenhouse	Jalalabad	East	ADP East
Greenhouse #1	Vegetables	3. Commercial orchard, farm or greenhouse	Parwan	Central	ASAP
Greenhouse #2	Vegetables	3. Commercial orchard, farm or greenhouse	Parwan	Central	ASAP
Greenhouse #3	Vegetables	3. Commercial orchard, farm or greenhouse	Jalalabad	East	ADP East
Greenhouse #4	Vegetables	3. Commercial orchard, farm or greenhouse	Jalalabad	East	ADP East
Jalalabad Wholesale Market Cold Storage	Any	4. Commercial storage	Jalalabad	East	ADP East
Nezam Cold Storage	Any	4. Commercial storage	Mazar	North	ASAP
Al-Riyaz Packing Factory	Fruit and vegetables	5. Packing and processing	Jalalabad	East	ADP East
Bagram Fruit and Non-Alcoholic Beverage Company	Fruit	5. Packing and processing	Kabul	Central	GDA
Balkh Dairy Plant	Dairy	5. Packing and processing	Mazar	North	DIRPA
Herati Cashmere and Skin Processing Plant	Cashmere and skins	5. Packing and processing	Herat	West	ASAP
Masroor Food Processing Factory	Fruit and vegetables	5. Packing and processing	Jalalabad	East	ADP East
Microprocessor #1 near Charikar	Dairy	5. Packing and processing	Parwan	Central	DIRPA
Microprocessor #2 near Charikar	Dairy	5. Packing and processing	Parwan	Central	DIRPA
Omid Bahar Fruit Processing Facility	Fruit	5. Packing and processing	Kabul	Central	ASAP
Khurasani Fardah	Fruit	6. Trade/export	Balkh	North	ASAP
Parwan Raisin Producers Cooperative (PRPC)	Fruit	6. Trade/export	Parwan	Central	ASAP
Afghan Dost Sharq	Fruit	6. Trade/export	Kabul	Central	ASAP
Badam Bagh Research Centre	Fruit and vegetables	7. Multiple (includes packhouse)	Kabul	Central	ASAP

ANNEX III: BIBLIOGRAPHY

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ANNEX IV: SCHEDULE OF MEETINGS

No	Date	Location	Organization	Title of Interviewee
1	10/05	Kabul	USAID/OAG	M&E Senior Specialist, Office of Program & Project development
2	10/05	Kabul	USAID/OAG	Team leader-Markets-Trade
3	10/05	Kabul	USAID/OAG	
4	10/07	Kabul	MAIL	Director of Horticulture Development Department
5	10/07	Kabul	MAIL	Director for Private sector
6	10/07	Kabul	MAIL	General Directorate of Planning and Program Coordination
7	10/10	Kabul	Omaid Bahar	CEO
8	10/12	Kabul	AFSA	Deputy AFSA and Country director NOMADES
9	10/12	Kabul	AFSA	Operation/Finance Specialist
10	10/13	Kabul	ACCI	Director of Industries & Export Promotion Department
11	10/14	Kabul, Kandahar, Logar	Behishta Ayubi Food Process	President
12	10/14	Balkh	Balkh Women Agriculture Production Co.	Director
13	10/14	Bamyan	Bamyan Businesswomen's Union	Member
14	10/14	Dashte Ufyan, Parwan	Bee Keeping and Chicken Cooperative	Chairperson
15	10/14	Istalif, Kabul	Hasina Mahboobi Handicraft Co.	President
16	10/14	Jalalabad	Khatiz Dairy Union	Member of the association
17	10/14	Kabul	UASID/OAG	
18	10/14	Kabul	SEASON Honey Processing & Packaging Co.	Vice president
19	10/14	Kabul	Farah Farhat Faizi Food Processing Co.	President
20	10/14	Kabul	Rustakhail Businesswomen's Union	Member

21	10/14	Sayed Khail, Parwan	Ashrafkhil Women Cooperative	Director
22	10/15	Balkh	Horticulture and Livestock Program	Farmer
23	10/15	Balkh	HLP Cooperative	Member
24	10/15	Kabul	Family Economy Cooperative	Member
25	10/15	Kabul	Fine Food	Deputy manager
26	10/15	Kabul	Dost Rahman LMD	Branch Manager Kabul
27	10/15	Kabul	Afghanistan Social Development Cashmere Association	CEO
28	10/15	Kabul	Dry Fruit Seller Association of Aibak	President
29	10/15	Kandahar	Kanda Fruit Process Company	CEO
30	10/15	Kapisa	Shorgal village project	Director
31	10/15	Kapisa	W.P.C.S.O	Director
32	10/15	Parwan	Dairy Milk Cooperative	Trainer
33	10/15	Parwan	Farzana Pickles	Director
34	10/15	Parwan, Kabul	Industrial Women of Parwan	Director
35	10/15	Parwan, Kapisa	Jabul Saraj Green Seeds Pro. Co.	Vice president
36	10/17	Kabul	Herati Cashmere and Skin Processing Plant	President
37	10/17	Parwan	Baghram Fruit and Non-Alcoholic Beverage Company	
38	10/18	Kabul	Nangarhar Afghan Agriculture Training Center	Director
39	10/18	Kabul	Badam Bagh Research Station/ MAIL	Farm Manager
40	10/19	Balkh	Jamshid Ramin Fruit Process and Packaging Company	Member of the company
41	10/19	Kabul	ADF	
42	10/20	Kabul	AISA	Vice president, investment
43	10/20	Kabul	ANNGO	Head of technical service

44	10/22	Parwan	DAIL	GM DAIL
45	10/22	Parwan	Women Farm Service Center	President
46	10/24	Skype	DAI (former CoP of ADP/E and IDEA-NEW)	Former CoP of ADP/E and IDEA-NEW
47	10/25	Herat	DASA/ former Durakhshan Chairmain	Manager
48	10/25	Herat	DAIL	G.D. Agriculture Programs
49	10/25	Mazar	DAIL Mazar	
50	10/25	Mazar	Balkh Dairy Plant	General Director
51	10/25	Mazar	DCA Mazar	
52	10/26	Balkh	Khulm Center VFU	Paravet
53	10/26	Herat	DCA	Deputy country director and regional program director
54	10/26	Herat	RAADA	IPMRL project manager
55	10/26	Herat	RAADA	IPMRL project trainer
56	10/26	Herat	RAADA	Program manager
57	10/26	Herat	Durakhshan Association	Chairman
58	10/26	Mazar	VFU outside Mazar	
59	10/26	Mazar	Nezam Cold Storage	Manager
60	10/26	Mazar	Abdul Hakim VFU	Paravet
61	10/26	Mazar	Mohammd Dawon AgDepots	Director
62	10/27	Herat	ACCI	CEO Herat
63	10/27	Herat/ Korukh	VFU	Paravet
64	10/27	Herat/Enjil	VFU	Paravet
65	10/27	Herat/ Guzara	VFU	Paravet
66	10/27	Herat/ Kushk Rabat Sangi	VFU	Paravet
67	10/27	Mazar	Focus Group- Balkh Dairy farmers	B
68	10/27	Mazar	Focus Group- Ag Depot clients	B
69	10/27	Mazar	Abdul Malik Ag-depots	Director
70	10/28	Mazar	Focus Group- VFU clients	

71	10/28	Mazar	Baba-e-Dehqan Ag-depots	Shareholder
72	10/30	Kabul	CNFA	Former employee
73	11/01	Kabul	Samsor Ban Aghricultural Services & Fruits and Exportters/ Wardak FSC owner	Vice managing director
74	11/01	Kabul	DFID (formerly with ADP/E and IDEA-NEW)	Former ADP/E and IDEA-NEW employee
75	11/02	Kabul	ANHDO	General Manager
76	11/02	Kabul	Peace through Business/Checchi	Member of Peace through Business, Gender Specialist
77	11/03	Kabul	Nezam Cold Storage	Director
78	11/03	Kabul	Durakhshan association	Operation manager
79	11/04	Skype	DAI (former CoP of DIRPA)	Former CoP of DIRPA
80	11/07	Kabul	Roots Of Peace	Country Director
81	11/07	Kabul	Roots Of Peace	Master Trainer
82	11/08	Jalalabad	Nangarhar Nursery Grower Association (NNGA)	Chairman
83	11/08	Jalalabad	Greenhouse / Hamesha Bahar Agro Services, Landscape and Construction	Managing director
84	11/08	Jalalabad	Fruit tree nursery	Manager
85	11/08	Jalalabad	Fruit orchard	Owner
86	11/08	Jalalabad	Packaging Factory	Owner
87	11/08	Jalalabad	Season Honey Processing & Packaging Co.	Owner
88	11/09	Jalalabad	Fruit tree nursery	Manager
89	11/09	Jalalabad	Fruit orchard / greenhouse	Owner
90	11/09	Jalalabad	Nangarhar Agriculture Training Center	Deputy to Manager
91	11/09	Jalalabad	Masroor Food Processing Company	Owner
92	11/10	Jalalabad	Saboor Alkozay Textile Company	Owner
93	11/10	Jalalabad	Omid Khalid Poultry Company	Owner
94	11/10	Jalalabad	Mutahid Shamal Sharq Poultry Company	Owner
95	11/10	Kabul	Takana Sefla Brothers Co. Ltd	President
96	11/11	Parwan	Parwan Raisin Producers Association	Head

97	11/11	Parwan	Parwan Bastan Improved Seed Company	Deputy
98	11/11	Parwan	Parwan DAIL-Cooperatives Department	Parwan DAIL-Cooperatives Manager
99	11/11	Parwan	Center Dairy	Manager
100	11/11	Parwan	MercyCorps	Community Mobilization Officer
101	11/11	Parwan	MercyCorps	Regional Manager
102	11/11	Jalalabad	Tasal Bahar Cold Storage Company	Manager
103	11/11	Jalalabad	Nangarhar Agriculture department	Director
104	11/11	Jalalabad	Nangarhar Chamber of Commerce and Industries	Director
105	11/12	Jalalabad	Tasal Bahar Logistic Company	CEO
106	11/17	Kabul	Afghanistan Agricultural Extension Project	Project manager
107	11/28	Kabul	MOCI	Director of SMEs Management and Development Affairs
108	11/28	Kabul	National Environmental Protection Agency	Head of Environment Social Impact Assessment
109	11/30	Kabul	MAIL/Plant Protection and Quarantine Directorate	General Manager of pesticides
110	11/30	Kabul	Afghan Opportunities Business Services	President & Co-Founder
111	12/02	Skype	Control Union	

ANNEX V: AGRIBUSINESSES REVIEWED

Business Name	Active ?	Women - Owned?	Description of Business	Type	Size	Region	Sources of Info	Support Received from Projects in Study	Other USAID Support Received	Types of Support	Description of Support	Yrs. Support Rcvd.
Women's greenhouse on land owned by Haji Muslim	No	Yes	ADP/E established a greenhouse for women on the land of the orchard owner. Eight women worked in the greenhouse, producing vegetable seedlings for spring and autumn planting seasons. ADP/E purchased those vegetable seedlings for their vegetable production program in the east. After one year, when the project support ended, the greenhouse activities stopped as well.	Greenhouse	Small (5-19 staff)	East	Interview with management, key informant interview(s), Project reports, Site visit/ observation	ADP/E		Facilitating Links to Buyers/ Markets, Facilitating Links to Suppliers, In-kind grant, Other, Technical Support, Training	The owner of greenhouse received all the necessary tools, seeds, training and links to markets. But all the support was for a year, after that greenhouse is become inactive.	2007
W.P.C.S.O	Yes	Yes	Small fruit and vegetable processor based in Kapisa with ten staff (seven of whom are women).	Packing/ Processing	Small (5-19 staff)	Central	Interview with management	IDEA-NEW		Facilitating Links to Buyers/Markets, In-kind grant	The company participated in an exhibition in India through support received from IDEA-NEW, which the director recounts as her 'greatest business success'. They also received a generator and fridge which helped them store food and expand operations.	2015
VFU Kushk Rabat Sangi	Yes	No	This VFU was founded by DCA in 2002. It provides vaccines, veterinary medicine, extension services and animal surgery to local farmers. The owner has received paravet training from DCA, and runs it with the help of his brother.	VFU	Micro (less than 5 staff)	West	Interview with management	ASAP		Cash grant, In-kind grant, Training	Support to the VFUs is indirect (via DCA). The owner of this VFU is also receiving support from RADP-W now (again via DCA). He gets 2000 Afs ($30) per month to report to RADP-W about his activities at the clinic.	
VFU Korukh	Yes	No	VFU founded by DCA in 1999.	VFU	Micro (less than 5 staff)	West	Interview with management	ASAP	Support from USAID is indirect through DCA.			

VFU Khulm	Yes	No	The VFU provides veterinary medicines, tools, artificial insemination equipment, vaccinations for livestock.	VFU	Micro (less than 5 staff)	North	Interview(s) with customers, key informant interview(s), Site visit/ observation	ASAP, IDEA-NEW		Facilitating Links to Suppliers, In-kind grant, Technical Support, Training	According to the VFU owner, he was given motorbike that is very effective because it enables him to go to most areas at any time.	
VFU Guzara	Yes	No	This VFU is located not far from Herat, on the airport road. It was started in 2000 with the support of DCA. The owner had studied agriculture at the vocational level, and received DCA training as a paravet. He also conducts training for farmers through HLP.	VFU	Micro (less than 5 staff)	West	Interview with managemen t, Site visit/ observation	ASAP		Cash grant, In-kind grant, Training	The owner of this VFU was able to identify what he received as a result of USAID support: "Through USAID's support, we received combs for cashmere, and extension leaflets, and a monthly salary of 1000 afs…nothing else." He also learned the combing method of cashmere collection and taught it to some farmers as a result of ASAP report. He said it was successful, but had limited impact, due to the small number of farmers he trained.	Various and ongoing
VFU Enjil	Yes	No	A VFU started in 2005 with assistance of DCA. Run by its owner with no staff. Owner is a livestock farmer with grade 12 education who received paravet training from DCA.	VFU	Micro (less than 5 staff)	West	Interview with managemen t	ASAP, Other	DCA VFUs also received support (indirectly) via RAMP and now via the RADPs.	In-kind grant, Other	The owner of the VFU was unaware of any support received via USAID. From DCA, he reported having received long-term (six month) training plus short-term regular refresher courses. Once the training was finished, he got a lot of equipment and tools to run the animal clinics: For the livestock clinic – furniture, table, chairs, motorbike, refrigerator – solar (now it's not working) – it worked for 4 years. The fridge is still good, but the solar battery is out of order. Motorbike is also now out of order – just old.	N/A

VFU Charbolak	Yes	No		VFU	Micro (less than 5 staff)	North	Interview with management, Site visit/ observation	ASAP		In-kind grant, Technical Support, Training	DCA provided ToT trainings, equipment (cupboard, motorcycle, refrigerator, table, chars, and constructed two rooms as a clinic). It also provided some tools like statoscope, scissors, and more. According to the DCA official in Mazar, most of this support was financed by ASAP.	2010
Tasal Bahar Logistic Company	Yes	No		Trader/ Exporter	Micro (less than 5 staff)	East	Interview with management, Site visit/ observation	None			Company did not receive support from USAID	
Tasal Bahar Company	Yes	No	Cold storage in Nangarhar fruit market	Cold storage	Medium (20-99 staff)	East	Interview with management, Site visit/ observation	None			Did not have USAID support	
Takana Sefla Brothers Co. Ltd	Yes	No	The company has been in operation for 25 years and is the largest apple trader in Wardak Province, the most famous region for apples in Afghanistan. The owner runs a contract farming operation and forwards cash to farmers in return for a commitment to reserve their crop, reportedly the highest quality apples in Afghanistan, for him to purchase.	Trader/ Exporter	Micro (less than 5 staff)	Central	Interview with management	ASAP, Other	ACE	Facilitating Access to Credit, In-kind grant, Loan, Training	-Trainings in how to better pack apples. Changed from wooden crates to special packages to preserve the fruit longer and economize space. -Free packaging boxes (1x) provided for two truckloads – one for apples (4,000 boxes), one for apricots (5000 boxes). -50% subsidy to cover export expenses (1x) -ADF loan ($100K, 1 year term, i=5%) for working capital	
Shorgal Village Project	Yes	Yes	A 15-member village-based enterprise in Kapisa focused on drying and packaging foods.	Packing/ Processing	Small (5-19 staff)	Central	Interview with management	Other	Received support from PARSA in 2014.			
SEASON Honey Processing & Packaging Co.	Yes	No	A honey processing and packaging company collects the raw honey from 300 honey bee producers.	Packing/ Processing	Small (5-19 staff)	East	Interview with management, Site visit/ observation	IDEA-NEW		In-kind grant, Other, Support in developing a business plan, Support with certification,	IDEA-NEW provided support for HACCP procedure implementation, packages, and management trainings.	2013

										Technical Support, Training		
Samsor Ban/Wardak FSC	Yes	No	Samsor Ban was founded as a family business in 1991, and formally registered with AISA in 2005. It aims to work across the whole value chain – providing a 'one stop shop' for farmers (largely on orchards), and then buying their products for export markets, with the ambition of moving into full contract farming. It is currently working in ten provinces, but primarily in the East. The Wardak FSC, which is a part of Samsor Ban, founded in 2010, focused on providing inputs and services for orchard set-up and management, including apple saplings and vine plants, equipment, services and advice on setting up fruit plant nurseries and orchards, and output marketing (largely apples). The owner also trades/exports apples and was leasing cold storage from DAIL for several years.	FSC, Other	Medium (20-99 staff)	East	Interview with management	AFSA, ASAP, IDEA-NEW, Other	CHAMP	In-kind grant, Training	AFSA: Funded start-up of Wardak FSC with grant of $50,000 in Jan 2011. Final report credited AFSA with creating 15 FTE jobs and training 1,046 farmers. IDEA-NEW: In 2014, provided a small grant of $10,600 (matched by $3,670 from grantee) to get a solar-powered system for irrigation for its orchards in Laghman (from IDEA-NEW report). It also provided some training and rootstock. Manager reported it was useful and still running - helps to irrigate two ha of land. CHAMP: Support to attend some international business fairs, connect with buyers. ADF: Received a small loan (Didn't specify the amount) ASAP: Also received support to help with trading – he did not expand on this. He also worked as a short-term consultant to provide pesticide training to AgDepots through ASAP - he judged this to be insufficient and had major concerns about the quality of inputs and advice that AgDepots were providing.	2011, 2014
Saboor Alkozay Textile Company	Yes	No	Saboor Alkozay Textile Company was established in 2008, and it produces scarfs, shawls, and fabrics for cloth.	Packing/ Processing	Small (5-19 staff)	East	Interview with management, Project reports, Site visit/ observation	IDEA-NEW, Other	ABADE	Facilitating Links to Buyers/ Markets, In-kind grant, Support in developing a business plan, Technical	USAID provided technical assistance and 40 weaving machines. Also, it provided different trainings in textile.	2008 and 2015

										Support, Training		
Rustakhail Women Business Union	Yes	Yes	A small Kabul-based, member-run business that processes, dries, and packs vegetables and fruits. It sells only through exhibits a few times a year.	Packing/ Processing	Micro (less than 5 staff)	Central	Interview with management	None				
Parwan Women's Training Center/Industrial Women of Parwan	Yes	Yes	This is a woman-owned business founded in 2011 that does fruit and vegetable processing (herbs, pickles, jams, and some juice). It employs 7 FTE workers, plus hires village women as contract farmers (400).	Packing/ Processing	Small (5-19 staff)	Central	Interview with management	IDEA-NEW		Facilitating Links to Buyers/ Markets, In-kind grant, Other, Support in developing a business plan, Technical Support	The owner mentioned receiving support to attend two agfairs. She received an in-kind grant from IDEA-NEW. She requested a generator and a filter machine (to make juice), but didn't get the latter. For the generator, they bought a poor-quality one that doesn't work. They gave her business cards, but put the wrong email address on them. They also helped her with packaging labels, but the way they designed them, her buyers didn't want them.	2013-14
Parwan Women's Greenhouses #1 & #2	No	No	Three women's greenhouses were built by ASAP on DAIL land. They were not used, and were later rehabilitated by AFSA. However, in our site visit, we found that one greenhouse was no longer there, one looked like it had never been finished, and the other was abandoned and full of weeds.	Greenhouse	Micro (less than 5 staff)	Central	Interview with management, key informant interview(s), Project reports, Site visit/ observation	AFSA, IDEA-NEW		In-kind grant	The greenhouses were built by ASAP predating AFSA's involvement (about 2009). AFSA put some money into 'rehabilitating' them in 2011.	2009, 2011

Parwan Women's Farm Service Center	No	Yes	This was intended to be FSC, but never operated as one, according to the definition of an FSC - supplier of inputs for farmers. At one stage, the PWFSC did supply spices, jams, and chutney to the local community as consumer goods.	FSC	Micro (less than 5 staff)	Central	Interview with management, key informant interview(s), Secondary information, Site visit/ observation	AFSA		In-kind grant	The Parwan WFSC was only established near the end of AFSA and was not fully functional by the time they issued their final report. They signed an agreement for $60,000 (as per AFSA final report). This included showroom, office, training hall, machinery parking (almost completed), warehouse; demonstration plot and greenhouse.	2011
Parwan Raisin Producers Association	Yes	No	Parwan Raisin Producers Cooperative (PRPC)	Trader/ Exporter	Micro (less than 5 staff)	Central	Interview with management, Project reports	GDA		Facilitating Links to Buyers/ Markets, Facilitating Links to Suppliers, Support in developing a business plan, Support with certification, Technical Support, Training	Mercy Corps/GDA created PRPC to collectivize raisin farmers in Parwan to improve the quality of their products and to penetrate foreign markets.	2009-2012
Parwan Dairy Microprocessor 2	No	No	Dairy processor that went bankrupt.	Packing/ Processing	Micro (less than 5 staff)	Central	Key informant interview(s)	DIRPA		Facilitating Links to Buyers/ Markets, Facilitating Links to Suppliers, In-kind grant, Support in developing a business plan, Technical Support, Training	Received dairy processing equipment to produce, milk, cheese, yoghurt and ice cream, and training on how to work the machinery and do the business.	2009-2012

Parwan Bastan Improved Seed Company	Yes	No	Parwan Bastan supplies wheat seed, wheat, and soybean to traders	Trader/ Exporter	Medium (20-99 staff)	Central	Interview with management	IDEA-NEW	GDA - trained farmers. ICARDA provided machines, NEI provided soybeans, PRT Baghram provided soy flour machinery.	In-kind grant, Technical Support, Training	Farmer trainings, grant of office equipment, assistance with setting up.	2010-2014
Parwan AgDepot	No	No	This business was an AgDepot started by ASAP, but then it went out of business and its owner switched to supplying veterinary medicines (small vet medicine shop)	AgDepot	Micro (less than 5 staff)	Central	Interview with management, key informant interview(s), Site visit/ observation	ASAP		Facilitating Links to Suppliers, In-kind grant, Training	He received in-kind support in the form of a two-wheeled tiller tractor, seed driller, and a shop with counters, shelves, and a sign. This was all built/provided through Durokshan, subcontracted by DCA. This AgDepot had not existed prior to ASAP (the owner had received DCA support to create a VFU). He claimed all the support/equipment was of extremely poor quality, and Durokshan pocketed the difference between the supposed and actual expenses. This concern was echoed by some other sources, included a former ASAP employee.	2006-11
Omid Khalid Poultry Company	Yes	No	Established in 2005, and has activities in poultry farm plus production of chicken feeders and drinkers	Farm	Small (5-19 staff)	East	Interview with management, Project reports, Site visit/ observation	ADP/E, IDEA-NEW, Other	AREDP/ MRRD and ALO/E	Facilitating Links to Buyers/ Markets, In-kind grant, Support in developing a business plan, Technical Support, Training	The company received a few short trainings from USAID-funded projects including IDEA-NEW and AREDP/MRRD, and ALO/E, ADP/E. Also, ASMED provided an in-kind grant in the form of machinery for manufacturing plastic feeders and drinkers for poultry.	2005, 2010, 2013

Omid Bahar Juice Factory	Yes	No	The company is active and in producing juice and milk.	Other, Packing/ Processing	Large (more than 100 staff)	Central	Interview with management, Interview(s) with customers, key informant interview(s), Secondary information, Site visit/ observation	ASAP		Facilitating Access to Credit, Facilitating Links to Buyers/ Markets, Facilitating Links to Suppliers, In-kind grant, Loan, Support in developing a business plan, Support with certification, Technical Support, Training	The initial USAID machinery grant was useful, but follow-on support was considered mostly useless.	2007-2015
Nezam Cold Storage	No	No	ASAP/USAID funded the cold storage but it is inactive	Cold storage	Small (5-19 staff)	North	Interview with management, key informant interview(s), Project evaluation, Project reports, Site visit/ observation	ASAP		In-kind grant	ASAP and Nezam agreed that Nezam would provide the land to build the storage , and ASAP would install the machines and train the farmers, but the project closed before the training.	2007-2011
Nangarhar Afghan Agriculture Training Center	Yes	No	Formally registered in 2007, NAATC was a large training center in Nangarhar and acted as a subcontractor for various agricultural projects (including for GIZ, DFID, USAID). It diversified into a dairy farm, orchards, greenhouses, a new research/training center, and had a demonstration farm in Kabul. It is still largely dependent on winning contracts from donors.	Agriculture Training Center, Other	Small (5-19 staff)	Central	Interview with management, Other documentation, Project reports, Site visit/ observation	IDEA-NEW		Facilitating Links to Buyers/ Markets, In-kind grant	The business received a grant from IDEA-NEW: Engineer Zaki and IDEA- NEW had an MOU. Engineer Zaki bought a tractor, and conducted 6 trainings about greenhouses, which cost him $15,000. IDEA-NEW provided a grant for a solar system (60% for greenhouse and 40% to livestock). IDEA NEW's total contribution was $22,000. IDEA-NEW also provided some help with advertising and marketing (according to final evaluation interview).	2014

Nangarhar Afghan Agriculture Training Center	Yes	No	Formally registered in 2007, NAATC was formerly a large training center in Nangarhar and acted as a subcontracted implementer for various agricultural projects (including for GIZ, DFID, USAID). Diversified into dairy farm, orchards, greenhouses, and a new research/training center and a demonstration farm in Kabul. Still largely dependent on winning contracts from donors.	Agriculture Training Center, Other	Small (5-19 employees)	East	Interview with management, Other documentation, Project reports, Site visit/ observation	IDEA-NEW		Facilitating Links to Buyers/ Markets, In-kind grant	The business received a grant from IDEA-NEW: Engineer Zaki and IDEA NEW had an MOU. Engineer Zaki bought a tractor, and conducted 6 trainings about greenhouses which cost him 15,000 USD. IDEA NEW provided a grant of solar system (60% for green house and 40% to livestock). IDEA NEW's total contribution was $22,000 USD. IDEA-NEW also provided some help with advertising and marketing (according to final evaluation interview).	2014
Nah-i-Shahi AgDepot	Yes	No	Dr. Mohd Dawod Agriculture and Animal Medicine Store was established in 2005 and provides services about agro-chemical, agriculture equipment, and animal medicines.	AgDepot	Micro (less than 5 staff)	North	Interview with management, Site visit/ observation	ASAP		In-kind grant, Technical Support, Training	Company received a tractor, one litre sprayer, Cupboard, Table, Chairs, paint, refrigerator, trainings in management and marketing and agro chemical.	2010
Mazar Women's Farm Service Center	No	Yes		FSC	Small (5-19 staff)	North	Key informant interview(s), Project reports	AFSA		Facilitating Links to Buyers/ Markets, Facilitating Links to Suppliers, In-kind grant, Technical Support, Training	The MoU was signed with the FSC quite late in the project, and the final annual report shows that a grant of $50,000 was to be dispersed but had not yet been given. It is not entirely clear what happened to this grant. One staff person reported attending an opening with USAID officials, and that the FSC was functioning. This appears to have been short-lived.	2011

Matiullah's Orchard in Behsud #3	Yes	No	This man received one orchard from ADP/E (covered separately) and one from IDEA-NEW. It is about 1 1/2 jerib in size, and was persimmons. It was planted about 4 or 5 years ago, and was doing well.	Orchard	Micro (less than 5 staff)	East	Interview with management, Site visit/ observation	IDEA-NEW		In-kind grant, Technical Support, Training	The owner got support in planting the orchards and received training on how to care for the trees from both ADP/E and IDEA-NEW. That has allowed him to work as a trained laborer in other people's orchards also. IDEA-NEW provided packaging - he reported that it was very fancy and nice, but people in the local markets didn't like it and removed it, as it was not what they were used to. Needed market awareness.	
Matiullah's Fruit Tree Orchard	No	No	Matiullah's apricot orchard area is 3.5 jeribs, and the variety planted in the orchard was supposed to be Charmaghzai. Instead, it is a local variety that is poor in taste, small in size, has very soft skin, is not marketable, and it not good for transportation. Therefore, the owner already cut off most fruit trees and finished the orchard this year.	Orchard	Micro (less than 5 staff)	East	Interview with management, Site visit/ observation	ADP/E		In-kind grant, Other, Technical Support, Training	The owner of the orchard received budded saplings, fertilizers, and tools. The project trained the owner and helped him with orchard layout.	2005
Masroor Food Processing Factory	Yes	No	Food production (Juices, Jams, Ketchup, Tomato paste ,and Pickles)	Packing/ Processing	Medium (20-99 staff)	East	Interview with management, Project reports, Site visit/ observation	ASAP, IDEA-NEW, Other	IDEA-NEW provided food process machinery about pulp plant and filling plant. ASAP provided food safety trainings. ASMED also provided a ketchup plant and a loan from ADF. Although ADP/E	Facilitating Access to Credit, Facilitating Links to Buyers/Markets, In-kind grant, Loan, Support in developing a business plan, Technical Support, Training	IDEA NEW provided chain of food process machinery about pulp plant and filling plant. Also, provided training and technical support in marketing. Also made billboards, brochures, wall clock and more for marketing. ASAP provided food safety trainings. ASMED also provided ketchup plant for Masroor Food Company. ADF/ACE, provided 200,000 USD.	

									reported providing support, the owner says he never received it.			
Mandawi AgDepot	Yes	No	Agriculture Depot which located in the central of Mazar-e-Sharif and established in 2011.	AgDepot	Small (5-19 employees)	North	Interview with management, Site visit/observation	ASAP		Training	Company just receive training support from USAID but head of Ag-depots was member of Agriculture association and he received one Tractor, Irrigation pipes, baskets, and trainings.	2012
Latif's Fruit Tree Nursery	Yes	No	This is mainly a citrus nursery and has a few stone fruit budded saplings as well . The area of nursery is one Jerib and rotated every two years. The rootstocks for citrus is rough lemon which has good resistance to citrus Tristeza virus. Initailly, the owner of nursery received 3000 rough lemon rootstock, stone fruits seed and tools from IDEA NEW.	Nursery	Micro (less than 5 employees)	East	Interview with management, key informant interview(s), Site visit/observation	IDEA-NEW		Facilitating Links to Buyers/Markets, In-kind grant, Other, Technical Support, Training	The fruit tree nursery owner received seeds for stone fruits and citrus rootstock, tools such as budding kives,pruning shears, fertilizers, sprayer, training and marketing.	2012

Laghman Farm Service Center	No	No	The Laghman FSC was established by AFSA in September 2008. Its owner, Mr. Hazrat Wali, is also the managing director of Helal Group of Companies (a seed and input importer/wholesaler). He closed the FSC soon after the project closed due to security and poor sales.	FSC	Small (5-19 employees)	East	Interview with management, Project reports	AFSA		In-kind grant, Training	According to the AFSA final report, this business received a total of $75,000 of in-kind support through two grant agreements. The report describes the business receiving a showroom, office, training hall, warehouse, parking lot, demonstration areas, and greenhouses. The owner recalls receiving the equivalent to about $25,000 although he was promised more. He says he received 2 tractors, solar panels; a refrigerator, and a thresher. Other discrepancies include the report about who the business owner was: The AFSA report identifies it as a veterinarian with a small and thriving business, but the owner was in fact the managing director of a thriving agri-input supplier.	2008-2011
Khatiz Dairy Union	Yes	Yes	This dairy union processes and sells milk from villagers and union members: it reports having 5 men and 65 women as members. It is expanding operations and has turned into a functioning factory.	Packing/Processing	Medium (20-99 employees)	East	key informant interview(s)	Other	International Fund for Agricultural Development (from 2012-2015)			
Kanda Fruit Process Company	Yes	No	Fruit processing and cold storage facility started in 2013, based in Kandahar, with full time staff of 35, plus 150 men and 400 women (seasonally).	Packing/Processing	medium	South	Interview with management	None				
Kabul Women Farm Service Center	No	No	This was the first women's farm service center, established in central Kabul by AFSA in Helal Group's compound. It sold agricultural inputs and equipment, provided various services (land levelling, equipment/machinery rental, irrigation advice) and some trainings. It closed down shortly after the project stopped.	FSC	Micro (less than 5 employees)	Central	key informant interview(s), Secondary information, Site visit/observation	AFSA		Facilitating Links to Suppliers, In-kind grant, Support in developing a business plan, Technical Support, Training	Infrastructure: Showroom, office, warehouse, machinery parking area, training hall, greenhouse, and demonstration plot	2009-2011

Jamshid Ramin Fruit Process and Packaging Company	Yes	No	A Mazar-based family-run fruit processing and packing company which began in 2008 and registered in 2014. Hires 45 men and 80 women. Mainly exports raisins and sesame seeds.	Packing/Processing	Large	North	Interview with management	None				
Jabul Saraj Green Seeds Pro. Co.	Yes	No	Operates from Jabul Saraj village in Kapisa, selling wheat seeds, vegetable seeds and saplings to farmers. Claims to have 24 employees (12 men, and 12 women), and to sell to over a million farmers annually. Not clear if it is women-owned or not - the VP is a woman.	Nursery, Trader/Exporter	Small (5-19 employees)	Central	Interview with management	Other	Received support from ICARDA (Int'l Center for Agri. Research in Dry Areas) in 2015			
Herati Cashmere and Skin Processing Plant	No	No	Large cashmere cleaning and dehairing plant, plus leather/karocol processing plant located in the Industrial area of Herat. Currently not in operation.	Other, Packing/Processing	Medium (20-99 employees)	North	Interview with management, Interview(S) with suppliers, key informant interview(s), Secondary information, Site visit/observation	ASAP	Received support from another donor for second dehairing line.	Facilitating Links to Buyers/Markets, In-kind grant, Technical Support, Training	Granted equipment (dehairing line) Plus training/technical support - Chinese experts came to train factory workers and others on the dehairing equipment. Plus marketing support/sponsorship to various trade events. Plus overall support to cashmere sector by training cashmere producers about combing (improved method of collection).	2011
Herati Cashmere and Skin Processing Plant	No	No	Large cashmere cleaning and dehairing plant, plus leather/karocol processing plant located in the Industrial area of Herat. Currently not in operation.	Other, Packing/Processing	Medium (20-99 employees)	West	Interview with management, Interview(S) with suppliers, key informant interview(s), Secondary information, Site visit/observation	ASAP	Received support from another donor for second dehairing line.	Facilitating Links to Buyers/Markets, In-kind grant, Technical Support, Training	Granted equipment (dehairing line) Plus training/technical support - Chinese experts came to train factory workers and others on the dehairing equipment. Plus marketing support/sponsorship to various trade events. Plus overall support to cashmere sector by training cashmere producers about combing (improved method of collection).	2011

Helmand Poultry Company/Bolan Poultry Farm	Yes	No	Helmand Ihsan Poultry Company is located in Helmand province produces egg, chicks, chicken feed and poultry technical services.	Farm	Small (5-19 employees)	South	Interview with management, Other documentation, Project reports	ASAP, Other	ADP/SW	In-kind grant, Technical Support, Training		2007-2011
Hayatullah's Fruit Tree Nursery	Yes	No	This is a fruit tree, ornamental and forest tree nursery. Its condition looks ok. There were a lot of citrus budded saplings, ornamental plants and forest seedlings.	Nursery	Micro (less than 5 employees)	East	Interview with management, key informant interview(s), Site visit/observation	ADP/E		Facilitating Links to Buyers/Markets, In-kind grant, Other, Technical Support, Training	The fruit tree nursery received the seeds, fertilzers, tools and training from the IDEA NEW/ DAI.	2007
Hasina Mahboobi Handicraft Co.	Yes	Yes	This business is based in Istalif and has two categories of business activities: 1) producing leather and other handmade products (such as bags and shoes) and 2) Food processing like making jam, pickles and so on. It reports a staff of 10 men and 40 women.	Packing/Processing	medium	Central	Interview with management	Other	Has received support from unspecified USAID project, from UNWomen, and from others	In-kind grant	The owner reports that she received machinery from USAID (as well as from other donors) - mainly sewing machines.	?
Hasam Poultry	Yes	No	Hassam Poultry Complex is one of the leading poultry complexwhich provide all type of Poultry services like (Breeder, Hatchery, Commercial Layer, Feed, Bridler chicks, and produce Chickens and eggs.)	Farm	Large (more than 100 employees)	East	Interview with management, Site visit/observation	Other	CARD-F		Did not get any support from USAID, they did receive some support from CARD-F - a feeding mill.	
Hamesha Bahar Agro services, Landscape and Construction	Yes	No	Five greenhouses are established for citrus rootstocks, off-season vegetables and flower production in Jalalabad city. The greenhouses are active and well managed and operating. Currently, the owner has 20 greenhouses for the mentioned activities. Out of 20 greenhouses, 10 greenhouses were support by CARD-F.	Greenhouse	Small (5-19 employees)	East	Interview with management, key informant interview(s), Project reports, Site visit/observation	IDEA-NEW, Other	CARD-F	Facilitating Links to Buyers/Markets, In-kind grant, Other, Technical Support, Training	The owner of business received 5 complete set of the greenhouses and as well as management training.	2013

Haji Sayed Hakim's Lemon orchard	No	No	This is a 1.5 jerib lemon orchard established by IDEA-NEW about 5 years ago. Owner is thinking of uprooting his trees.	Orchard	Micro (less than 5 employees)	East	Interview with management, Site visit/observation	IDEA-NEW		In-kind grant, Training	Budded saplings, fertilizers, tools, training	2010
H.L.P Cooperative	Yes	Yes	Safora grows tomatoes and carrots for the market. She did not identify as part of the HLP Cooperative, strangely, although she was manning their booth. Nazima reports processing vegetables to make pickles and jam through the cooperative, which has 25 members.	Farm, Packing/Processing	Micro (less than 5 employees)	North	Interview with management	Other	Horticulture and Livestock Project (HLP) Cooperative (World Bank)			
Fruit orchard owned by Haji Muslim	No	No	ADP/E established a 3.5 jerib apricot orchard. The variety of apricot was (ostensibly) Charmagzai. The owner of orchard said that variety of Charmaghzai was not the true one. The resulting fruit from his orchard has a soft skin, poor taste and no local market. After 10 years of waiting, still there was no improvement in the fruit, so, he decided to destroy the orchard this year. At the time the study team visited the orchard, the owner had already started uprooting the fruit trees.	Orchard	Micro (less than 5 employees)	East	Interview with management, key informant interview(s), Project reports, Site visit/observation	ADP/E		In-kind grant, Other, Technical Support, Training	The fruit grower received the budded saplings, fertilizers, tools for 3.5 Jerib of apricot orchards. Also, the project helped the farmer on orchard layout, training and other practices, but unfortunately the variety was poor.	2007
Fine Food	Yes	Yes	This is a French baking and catering business that began in 2013, and has already made a good profit. It is based in Kabul and sells within the Kabul market.	Packing/Processing	Medium (20-99 employees)	Central	Interview with management, key informant interview(s)	Other	ACE/ADF	In-kind grant, Loan	See details on grant below. The loan was for 5.2 million Afs. It was used to purchase all the machinery for the factory (mixers, baking ovens, slicing machines for bread, packing machines, etc.).	2014
Farzana Pickles	Yes	Yes	This is a small woman-owned business from Parwan that produces pickles and jams, and sells them to retailers. Did not mention the exact number of employees.	Packing/Processing		Central	Interview with management	None				

Farah Farhat Faizi Food Processing Co.	Yes	Yes	This woman-owned business located in Khair-Khana, Kabul processes fruit and vegetables into jams and pickles, and also produces packaging (baskets made from local materials).	Packing/Processing	Medium (20-99 employees)	Central	Interview with management	IDEA-NEW	Also ABADE and GIZ, and Peace Through Business	Facilitating Links to Buyers/Markets, In-kind grant, Support in developing a business plan, Technical Support	IDEA-NEW records show that they provided the business with a grant valued at $24,300, with the grantee matching it with $13,990. This included a biogas plant, straw, stipend for trainees, a testing lab and 8 chillers. The in-kind support helped the owner to develop packaging for her products - these are woven baskets made of locally sourced materials from Khost. They also provided training on basket weaving, and helped her develop marketing/promotional materials. She credits this support with helping her increase quality and production.	2013-2015
Family Economy Cooperative	Yes	Yes	A small Kabul-based women's cooperative that makes pickles and jams. Mentions having 3 employees, not clear if it has additional members.	Packing/Processing	Micro (less than 5 employees)	Central	Interview with management	None				
Duroshan/Noor Brothers AgDepot	Yes	No	A well-equipped agricultural input and equipment store located in downtown Herat. Some items were dusty and/or expired.	AgDepot	Micro (less than 5 employees)	West	Interview with management, Site visit/observation	ASAP		In-kind grant		
Dost Rahman LMD	Yes	No	This company is an Afghan supplier of agricultural medicine (pesticides? Veterinary medicines?) imported from the Ariashimi company of Iran. It supplies outlets in Kunduz, Mazar, and Nangarhar.	Trader/Exporter	Small	North	Interview with management	None				
Dost Rahman LMD	Yes	No	This company is an Afghan supplier of agricultural medicine (pesticides? Veterinary medicines?) imported from the Ariashimi company of Iran. It supplies outlets in Kunduz, Mazar, and Nangarhar.	Trader/Exporter	Small	East	Interview with management	None				

Dairy Milk Cooperative	Yes	Yes	Parwan-based women's cooperative that processes dairy (milk and yogurt) and also makes pickles and jams. The work is seasonal and they only sell to exhibitions. Number of members not mentioned.	Packing/Processing		Central	Interview with management	None				
Center Dairy Parwan	No	No	The Project failure was due to the poor economics of the project and apparent lack of proper feasibility study, poor project management, poor local management (Manager and others – who had limited experience in dairy if any)	Packing/Processing	Micro (less than 5 employees)	Central	Interview with management, Project reports, Site visit/observation	DIRPA		In-kind grant, Other, Technical Support, Training	The small-scale Dairy received a full compliment of machinery needed to produce milk, yogurt, cheese and ice cream – 3 containers filled with: 1 large milk storage canister, 2 freezers, 1 generator. All relatively good quality machinery from India. The staff was trained by the project.	Do Not Know
Center Dairy Parwan	No	No	The Project failure was due to the poor economics of the project and apparent lack of proper feasibility study, poor project management, poor local management (Manager and others – who had limited experience in dairy if any)	Packing/Processing	Micro (less than 5 employees)	North	Interview with management, Project reports, Site visit/observation	DIRPA		In-kind grant, Other, Technical Support, Training	The small-scale Dairy received a full compliment of machinery needed to produce milk, yogurt, cheese and ice cream – 3 containers filled with: 1 large milk storage canister, 2 freezers, 1 generator. All relatively good quality machinery from India. The staff was trained by the project.	Do Not Know
Behishta Ayubi Food Process	Yes	Yes	This woman-owned business makes cookies, jams, and pickles. It operates in Kandahar, Kabul and Logar. The president claims they have 340 employees, including 50 men and 290 women (not full time).	Packing/Processing	Large	South	Interview with management	None				
Behishta Ayubi Food Process	Yes	Yes	This woman-owned business makes cookies, jams, and pickles. It operates in Kandahar, Kabul and Logar. The president claims they have 340 employees, including 50 men and 290 women (not full time).	Packing/Processing	Large	East	Interview with management	None				
Behishta Ayubi Food Process	Yes	Yes	This woman-owned business makes cookies, jams, and pickles. It operates in Kandahar, Kabul and Logar. The president claims they have 340 employees, including 50 men and 290 women (not full time).	Packing/Processing	Large	Central	Interview with management	None				

Beekeeping and Chicken Cooperative	Yes	Yes	Despite the name, the chair describes its cooperative's main business activities as "Making pickles, drying spices, making jams and drying vegetables." It operates from Parwan, and reports having 29 members (24 of whom are women).	Packing/Processing	Medium (20-99 employees)	Central	Interview with management	None	They report having received no support.			
Bamyan Business Women Union	Yes	Yes	This is a dairy union located in Bamyan. It collects milk from 150 women members and processes it, mainly into qurot.	Packing/Processing	large	Central	Interview with management	None				
Balkh Women Agriculture Production Co.	Yes	Yes	This business has 22 staff/members, and operates from Mazar and is involved in drying and exporting 16 types of fruit. It exports to India, as well as selling at agfairs.	Packing/Processing	Medium (20-99 employees)	North	Interview with management	None				
Balkh Dairy Plant	No	No	Dairy processing and production - Milk, Cheese, Yoghurt	Packing/Processing	Medium (20-99 employees)	North	Interview with management, Interview(s) with suppliers, key informant interview(s), Site visit/observation	DIRPA	FAO, Germans	Facilitating Links to Buyers/Markets, Facilitating Links to Suppliers, In-kind grant, Support in developing a business plan, Support with certification, Technical Support, Training	Comprehensive support	2009-2012
Baghram Fruit and Non-Alcoholic Beverage Company	No	No	Raisin washing and packing. Defunct juice prduction.	Packing/Processing	Small (5-19 employees)	Central	Interview with management, key informant interview(s), Secondary information, Site visit/observation	GDA		Facilitating Links to Buyers/Markets, Facilitating Links to Suppliers, In-kind grant, Technical Support, Training		2007-2012
Badam Bagh Research Station	No	No	Research farm - primarily designed to employ new farming techniques and train local farmers in new techniques and technologies.	Agriculture Training Center	Small (5-19 employees)	Central	Interview with management, Site visit/observation	ASAP		In-kind grant, Other, Technical Support, Training	The farm received machinery ,multiple trainings, wall, leveling of land, greenhouses, trellis for vines, packhouse facilities,	2007-2011

Baba Dehqan AgDepot	Yes	No	Agdepot established in 2005 but members of the company had 50 years experience in Agriculture sector and provide Agro-Chemical, Improved Seeds and Nursery to farmers.	AgDepot	Small (5-19 employees)	North	Interview with management	ASAP, Other	ADF	In-kind grant, Loan, Technical Support, Training	Company received the following assistance. • Technical trainings about marketing, management and farming. • Loan (ADF provided 400,000 USD wit 5% interest rate). • Equipment • Tractor • Improved seeds • Warehouse	
Ashrafkhil Women Cooperative	Yes	Yes	This business occupies 36 women on an occassional basis in processing and drying vegetables and spices, it operates out of Parwan. Based on its goods for sale at the agfair, its operations appear modest.	Packing/Processing		Central	Interview with management	Other	Reported receiving some training from AWRC			
Al-Riyaz Packing Factory	No	No	Al-Ryaz packaging company started business in 2007 and closed their operation in 2011. He mentioned two main factors for failur his business. The first one, he established the company in leased land which lead to increase rent from 1000 USD to 6000 USD. Second, ASMED promised him to provide 52,000 USD but ASMED did not provide for him.	Packing/Processing	Micro (less than 5 employees)	East	Interview with management, Project reports, Site visit/observation	ADP/E, IDEA-NEW, Other	ADF/ACE	Facilitating Access to Credit, Facilitating Links to Buyers/Markets, In-kind grant, Loan, Support in developing a business plan, Technical Support, Training	USAID projects provided training and provided Carton printing machine about $12,000 USD (the grant was given by IDEA-NEW). Also, technical trainings about marketing, management and farming, loan (ADF provided 400,000 USD with five percent interest rate), equipment, tractor, Improved seeds, and warehouse. NB: Although ADP/E was reported as helping establish this business, the owner reported only getting training from it...the bulk of support came through IDEA-NEW.	2007
Afghanistan Supply Company	Yes	No	Company founded in 2007, owner-operated sole proprietorship. Buys and trades raw cashmere. Has 8 employees.	Trader/Exporter	Small (5-19 employees)	North	Interview with management	Other	ASMED/USAID	Facilitating Links to Buyers/Markets, In-kind grant, Technical Support, Training	ASMED/USAID provided furniture, machinery, and some equipment for harvesting, and helped him participate in international trade shows.	2008
Afghan Dost Sharq	Yes	No	Fruit exporter (and importer)	Trader/Exporter	Large (more than 100	Central	Interview with management	ASAP	CHAMP	Facilitating Links to Buyers/Markets, In-kind grant	1X subsidy of fruit export, fully funded trip to Dubai to attend trade fair - Gulf Food.	2008-2011

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ANNEX VI: SUMMARY FINDINGS OF AGRIBUSINESSES BY SECTOR AGRIBUSINESS SECTOR SUMMARIES

AGRICULTURE DEPOTS

Sources of Data

Findings and analysis on AgDepots in this study are based on the following data sources:

- Visits to five AgDepots (one in Parwan, one in Herat, and three in Mazar-e Sharif)
- Interviews with the Durashan Association and Noor Brothers (involved in implementing the AgDepots)
- Phone interviews with 15 AgDepots
- Phone survey with an additional 58 AgDepots (for a total sample size of 73)
- Key informant interviews with DAIL officials from Parwan, Herat, and Mazar
- Key informant interviews with former ASAP staff and short-term consultants
- Secondary data:
    - ASAP Project Reports (years)
    - ASAP Final Evaluation (dated)
    - AgDepot Economic Impact Study (commissioned by ASAP)

Introduction to AgDepots

AgDepots are farm input stores located at the district level throughout the country. Most of the AgDepots supported by ASAP were already pre-existing farm input stores: these numbered 231, or 62% of the final number of ASAP AgDepots. An additional 139 new AgDepots were established through the direct support of ASAP over the course of the project, for a total of 370.[65]

According to ASAP's project documentation, its primary goal in supporting the AgDepots was to provide farmers with quality inputs and extension services (training and advice). This was intended to have a positive impact on the yield and quality of farmers' produce. Secondarily, the AgDepots were expected to have a direct influence on job creation through the creation of the new AgDepots and the rehabilitation and possible expansion of the existing ones.

ASAP's model of support to the AgDepots

Most of ASAP's support to the AgDepots was provided through the Durukshan Association, which was created as a company under the Noor Group of Companies, and acted as a subcontractor for the ASAP project.[66] Durukshan did not deliver training, but rather a standard set of supplies to refurbish existing AgDepots and to establish new ones. For new and refurbished AgDepots, Durukshan built a small room/shop with a standard set of cupboards, shelves, counters, a sign and paint. It also provided the AgDepots with small two-wheeled 'tractors' for tilling, seed drillers, small hand sprayers, and in some cases, refrigerators, irrigation pipes, and baskets. Project documentation also mentions that Durukshan will provide AgDepot owners with subsidized or preferred rates on inputs, although AgDepot owners interviewed by the study team did not mention receiving these. Durukshan was also responsible for selecting the existing or prospective business owners with whom to work, according to its former management.

Durukshan was supposed to continue providing support services (including sourcing inputs) at the close of ASAP, but the Noor Agro Group (its parent company) stopped its activities at the close of the project, violating the contractual agreement, according to former ASAP staff. AgDepot owners

[65] Based on project report documentation.
[66] Based on interviews with former Durukshan management/Noor Brothers management, former ASAP staff, and the current head of Durukshan (post-Noor Brothers).

attempted to maintain the operation of Durukshan by electing a new head (i.e., attempted to reinvent its status as a bonafide association). However, they do not have resources and are effectively inactive.

ASAP directly contracted experts to provide short-term training on management and on the application of agro-chemicals.

What difference did USAID's interventions make to the AgDepots?

Number of AgDepots still in operation, and performance trends

At the time of ASAP's final evaluation, in 2012, the evaluators estimated that about 95% of the 370 AgDepots were still in operation, and most of those interviewed claimed to be making a profit.[67]

Our phone survey of 83 AgDepots, conducted in November 2015, found a survival rate of about 88%.[68] This is high success rate, given the large challenges faced by all Afghan businesses. However, most of the AgDepots were built on pre-existing businesses – some of which are family businesses that have been in existence for decades.[69] Therefore, we cannot readily attribute this success to ASAP's support.

Two of the AgDepots no longer in existence reported they are still selling veterinary medicines (both had also received support from DCA to operate as VFUs). Another two are still operating, but claimed not to be profitable.

While most AgDepot owners reported being satisfied with their business, a number noted that the market is down, due to the overall economic downturn in Afghanistan. All of the owners reported sourcing their supplies in the open market, and none reported any growth in their businesses.

In addition to the phone survey, the study team visited five AgDepots and/or interviewed their owners. Of these, four are operating and profitable, and one (in Parwan) had switched to providing VFU services. However, in none of these cases could the sustainability of the AgDepot be attributed to USAID support. The one failed AgDepot had been a new start-up, and the key issue for failure appears to have been poor selection of the owner, who had already received support from DCA and was running a VFU.

Influence of USAID's support on the capacity and ongoing operation of the AgDepots

ASAP's intervention was intended to increase the capacity of AgDepots to deliver quality advice and training to farmers, as well as to procure quality inputs. There is not very much hard data on either of these aspects. Anecdotally, however, both of these were widely noted to be areas of continued concern – both at the end of the project and continuing to the present.[70] A few AgDepots have gone on to receive further support, including training, from IDEA-NEW or other projects.

On the other hand, most AgDepot owners were generally pleased with USAID's assistance. In the cases of AgDepots that started with USAID support and are still continuing, owners are particularly grateful.

Overall AgDepot management and operations

Some AgDepots received some training in management, which they reported as useful. This would have been more important for start-ups, as most AgDepot owners had been running very similar

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[67] P2, ASAP Final Evaluation.

[68] This was a random sample of 83 out of 370. Given the response distribution, this falls into an 85% confidence level, with a 5% margin of error. i.e. We can be 85% sure that the survival rate of the full population of AgDepots is between 83-93%.

[69] Based on ASAP Final Evaluation, interviews with AgDepot owners, and with former IP staff.

[7070] This was noted by farmers using AgDepots in focus groups, by former trainers hired by ASAP to work with AgDepots,

businesses for a long time and already had stable operational procedures and sufficient clientele. In most cases, this is a fairly simple business to manage, and awareness is based on local networks and word-of-mouth. Many AgDepots are located in rural areas, where they have little or no competition, although this is reportedly changing in some places.

Equipment and materials provided

There were mixed and many negative reports about the quality and suitability of the equipment provided by Durukshan. Most of this equipment was to be rented to farmers as a service. However, one key informant explained that there was no needs assessment and no variation in what was provided across the country – no matter the terrain, the agro-ecosystem, the main crops being planted, the same equipment was provided. Several respondents said that it was cheap and poor-quality from China. Some reported it broke right away and others reported that it was just not suitable for farmers' needs in their areas.

Several key informants, including former ASAP staff, explained that Durukshan provided cheap equipment at inflated prices, making substantial profit at the expense of the project and the farmers. They did the same for inputs, charging USAID prices that were far above market rates.

This appears to have been one of the weakest parts of the intervention.

Evidence regarding AgDepots providing extension/advice

Training was provided directly by ASAP, or by short-term trainers hired by ASAP, rather than through Durukshan. The trainers appear to have been qualified, and the AgDepot owners reported the trainings were helpful to them. In addition, one AgDepot owner said he was able to consult with ASAP (and later IDEA-NEW) project staff when facing difficulties in diagnosing problems with plants.

The degree of training (or retention of training) across AgDepots appears uneven. In any case, the previous educational background of AgDepot owners and capacity to learn also appears uneven. One former trainer, who had been teaching AgDepot owners about pesticides, expressed strong concern that the capacity of AgDepot owners to effectively advise farmers remained low, and farmers were regularly over-applying pesticides to a dangerous degree. Likewise, some FGD participants in Mazar recalled buying pesticides from their local AgDepot to treat their crops, and "instead of fixing our crops, they killed them." Other key informants, including some of the AgDepot owners themselves, likewise expressed concerns about the general lack of knowledge both amongst AgDepot owners and farmers, which, combined with poor quality inputs, was leading to potentially dangerous outcomes.

One-time, short-term trainings are clearly not enough to address this issue. ASAP's initial plan included making an extension link between local DAILs, AgDepots, and the farmers, which would have potentially helped in maintaining and building the capacity of AgDepot owners over time. However, the final evaluation notes that this never happened, a point that was reiterated by all of the DAIL and MAIL representatives consulted in this study, who claimed there had been no engagement or coordination with them at all, a factor they felt had reduced the sustainability and value of the AgDepots.

Extension is not profitable in and of itself, but can be a useful marketing component for input sellers. Most AgDepots reported providing consultancy to farmers on issues such as how to apply pesticides, but the quality of this advice varies. When AgDepots are giving good advice, it may be due to the staff's own education and aptitude rather than to the rather sparse training provided by ASAP. Finally, we can note that without a link to the government or some form of regulatory and oversight body (or sufficient knowledge among farmers/consumers), some AgDepot owners might be tempted to overprescribe the use of their products, to encourage more sales.

Procuring quality inputs at competitive prices

ASAP's project documents described a goal of setting up regional associations of AgDepots (with about 12 AgDepots per association) to encourage a collective voice/bargaining unit in terms of procuring quality inputs at competitive prices, as well as services and branding. However, no AgDepots we spoke with mentioned any functional link to an association, which was also not mentioned in the final evaluation. Durukshan was an association in name only during the course of the project, as it operated as a subsidiary company of Noor Brothers, established wholly for the purpose of setting up and equipping AgDepots under a contract with ASAP.

One key informant, now involved with the 'renewed' Durukshan Association, mentioned that many AgDepot owners had been unhappy with the functioning of Durukshan during ASAP's implementation, and had raised the issue directly with ASAP's leadership, but did not get a response. Thus, while its name and some of the project documentation gave the impression that there was a representational/membership structure that allowed AgDepots to work together and negotiate effectively, this was never the case. Under the management of Noor Brothers, Durukshan did provide Noor Brother products to AgDepots, but the prices were reportedly above market prices, rather than a negotiated competitive rate (although it was USAID, rather than the AgDepot owners, which paid the marked-up rates). Quality control also appears to have been very weak. Noor Brothers reports it still supplies many AgDepots, especially in Herat and Mazar. In a visit to an AgDepot in the center of Herat owned by one of the Noor Brothers managers, it was observed that the store had an array of expired products for sale on its shelves, suggesting that quality control within its own supply lines is weak. Most AgDepot owners reported sourcing their inputs through the open market, where quality and accurate labeling is a widespread concern.

The influence of outside factors on AgDepot sustainability

The main issues that influence the sustainability of AgDepots include security (especially when attempting to make outreach visits to village); the prevalence of poor-quality, mislabeled, and unregulated inputs; and the low capacity of farmers to pay, due to poverty. While some AgDepot owners had noticed a slight increase in farmers' sensitivity to the significance of quality differences in inputs, price still tends to be the driving factor in their purchases. As long as consumers buy the cheapest inputs and there is no regulation stopping their sale, it is difficult to maintain quality standards on a competitive basis.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)

The evaluation, in 2012, showed that employment had increased through the expansion of about 77% of AgDepots, as well as through the creation of the newly created agribusinesses.

Our data showed that employment had largely plateaued amongst most of the agribusinesses, with the exception of those which had gone out of business. The failure rate was reported by one key informant to be highest amongst newly formed AgDepots. This makes sense. If we assume, therefore, that newly formed AgDepots had a 70% survival rate, and the surviving AgDepots have an average of two persons employed, we can estimate that about 195 jobs, or perhaps slightly more, were generated by ASAP's support to AgDepots.

Impacts on other businesses

Wholesale input importers/suppliers are the most obvious beneficiary of the AgDepot network. Noor Brothers Group was the most direct beneficiary, as they had a direct contract with ASAP to supply AgDepots with their inputs via the Durukshan Association. While Noor Brothers report that they maintain supply agreements with many AgDepots, most AgDepots in the study sample reported that they sourced their inputs on the open market.

In contrast to the stated project intentions, there was never an effective organizational structure for the AgDepots to collectively bargain with Noor and other wholesale input suppliers, which could potentially benefit the AgDepots, the wholesalers (through a large guaranteed market), and the overall

sector (through increasing the overall quality and availability of inputs). The general spread of AgDepots will have had an overall net positive effect on demand for inputs, and therefore on suppliers. Input importers remain in competition with each other, with some regional differentiation, while the lack of regulation and lack of buying power amongst farmers can mean this competition tends to have a negative impact on product quality, favoring cheap, low-quality imports.

Other multiplier effects to the economy

The main benefit that AgDepots have offered to farmers is an increase in the availability of agricultural inputs, including agrochemicals. Some FGD participants, for example, noted that they had not previously known about weedicides such as RoundUp, which they are now able to buy and apply, saving them a lot of time. Some AgDepots are located in areas where there are no competing businesses, suggesting that if they were not there, farmers would not be able to access these inputs, or else would have to travel to a distant commercial center to purchase them.

The training received by AgDepot owners appears to have increased the quality of advice they offer to farmers somewhat, which also result in improved farm practices and increased yields. However, such impact appears limited and uneven, and is not possible to quantify in this study.

The AgDepots have been conduits for some other projects, and some AgDepots were used as demonstration sites for specific improved agricultural practices. For example, one AgDepot owner reported having grape trellises installed, which farmers replicated when they saw the improvement in grape quality and yield.

Negative impacts to local economies

The main negative impacts to local economies posed by AgDepots include the health and environmental risks associated with the use of poor-quality or mislabeled agrochemicals, and the misuse of agrichemicals. This has reportedly led to the death of crops and livestock.

While this issue is broader than the ASAP AgDepots, and cannot be simply attributed to ASAP's intervention, it appears that ASAP did not take sufficient steps to mitigate this risk. While there is not much hard data on this, anecdotal evidence is very concerning. ASAP's promotion of AgDepots has pushed the broad distribution of agrochemicals throughout Afghanistan without sufficient parallel controls or regulations.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Providing economic or other opportunities to women was not a focus of ASAP in supporting the AgDepots. Only one women's AgDepot owner was reported in the ASAP final evaluation, in Parwan province. Based on our meeting with the Parwan DAIL officer, it would appear this AgDepot is no longer operational.

There was no evidence of women's engagement, whether as staff, suppliers, or customers/clients, in any of the AgDepots visited or interviewed in this study.

What Aspects of USAID's support to AgDepots were most successful, and under what conditions?

The specific outcomes ASAP sought to achieve through their support to AgDepots were:

- A broader coverage through expansion of the number of AgDepots, and expanded operations of existing AgDepots
- Improved quality of inputs
- More advisory and training services to farmers on improved farming methods and correct application of agrochemicals

ASAP's approach appears to have been most successful on the first point, with little proven success on the second two points. The AgDepots themselves have been largely sustainable. However, this was true even in the absence of ASAP's intervention for the majority of businesses, which were already operating for small input shops. A reasonable percentage of ASAP's new AgDepots appear to have survived (about 70% or slightly higher), expanding the accessibility of agricultural inputs to farmers across Afghanistan.

ASAP adopted the strategy of building on what is already working – in the sense of selecting existing input shop owners to become AgDepot owners. This is a good principle, but it also creates the risk of muddying and/or overstating the actual influence/impact of USAID's intervention.

While ASAP did not focus on engaging women in AgDepots, this appears a reasonable decision, given that this is not an area with any existing tradition to build on.

- The idea of creating associations for AgDepots makes sense, but clearly didn't work, and doesn't seem to have been very well-thought through.
- The lack of focus on women's engagement in AgDepots may make sense, as this does not seem like a fruitful area to engage women, unless a particularly well-researched and specialized approach was taken (probably at the value chain level)…this is further validated by the unsustainability of the three women's FSCs (exception is the seed comp. we spoke with at the agfair…)

What aspects of USAID's support to AgDepots appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The parts of ASAP's intervention that appear less successful seem to be so due to implementation. If the project was implemented as initially suggested in project documents – with a functional association that allowed AgDepots to have a collective voice, and with strong links to MAIL and the DAILs, it might have achieved more of its initial goals.

The choice to contract so much of the work to Noor Brothers was widely criticized by AgDepot owners, members of the current Durukshan Association, former staff of the IP, and other key informants. It is clear why – as this appears to have created a conflict-of-interest that worked against the project's own objectives. Noor Brothers sought to maximize their profits at the expense of the AgDepots. If Durukshan was set up from AgDepot owners, and they had been able to negotiate terms with one or more input wholesalers as an association, this would have been an approach more in tune with the stated intention of the project.

The failure to link to MAIL and the DAILs on extension services meant that AgDepots had little support and little incentive to continue this part of their services. Even by the time of the final evaluation, it was found that AgDepots were not delivering the extension and advisory services as envisaged by ASAP.

Where AgDepots failed, it appears mainly due to poor screening and selection of potential owners. In several cases in this study, AgDepot owners were already linked to DCA as VFU owners, and it is not clear why they were included. The result in both cases was that the owner ended up focusing again on operating a VFU, whether with or without continued DCA support.

While it is not clear exactly why these decisions were made, one issue may have been time, and another may have been due to the lines of accountability. ASAP's chosen approach was effective in terms of providing short-term deliverables and meeting its formal requirements. A stronger weighting of sustainability at the outset by USAID could have helped sway things away from the 'shortcut' approach.

AGRICULTURE PROCESSORS

a. Sources of Data

- Interviews with owners and managers of 6 agribusiness processing companies
- Site visits to 6 agribusiness companies
- Interviews with key informants (ACCI, AISA, MAIL/DAIL)
- Interviews with relevant IP (former ASAP, IDEA-NEW, GDA staff and other well informed international development professionals)
- Interview with management of competing businesses
- Focus groups of suppliers to several of the businesses.
- Project reports
- Project evaluations
- Various online sources
- Phone interviews with several suppliers (Omaid Bahar)

Introduction to the agribusiness processors

We included six agribusiness processors in this study:

- Omaid Bahar (fruit juice, dairy and fresh fruit)
- Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
- Masroor Food Processing (jams and juices)
- Al-Riyaz Packing Factory (packing materials)
- Season Honey (honey)
- Saboor Alkozay Textile Company (weaving of scarves and shawls)

A description of the support each of these companies received from USAID (and from which project) follows:

<u>Omaid Bahar (ASAP-Chemonics 2006-2011)</u>

- Grant of fruit juice processing equipment, cold storage equipment, power plant equipment
- Technical and engineering assistance – machinery installation and plant set up
- Linkages – strengthening the supply chain and with international buyers. Support at Ag Fair + Gulf Food exhibition + India Exhibition.
- Plant design – constructed concrete platform for cold storage units.
- Lease of cold storage container, and provision of cold storage units.
- Research and logistical support.
- Training of workers in use and maintenance of juice processing machinery, cold storage operations and power supply equipment.
- USAID engagements with existing and start up agribusinesses were intended to create a domestic Afghan raw agriculture product processing capability to create jobs, support the local economy and to serve as a substitute for imports. It was also intended for the agribusinesses to serve as an example to encourage additional entrepreneurs to enter the sector and thus create more jobs.

<u>Baghram Fruit & Non-Alcoholic Beverage Co. (GDA-Mercy Corps 2008-2012)</u>

- The company was to be rehabilitated to process grapes produced by PRPC (another GDA supported entity) to raisins and grape juice for export.
- Installation of new PVC doors and windows to decrease the amount of insects and dust that enter the raisin factory.
- Purchase of stainless steel water tanks and sorting tables for sanitation purposes.
- Reconstruction of the raisin processing facility with new concrete floors, power outlets, paint, wall tile and sanitary changing rooms for male and female workers.
- A minor upgrade in 2011 based on recommendations made by a consultant with the USAID-funded Accelerating Sustainable Agriculture Program (ASAP) to ensure Hazard Analysis &

Critical Control Points (HACCP) certification.
- Support towards technical consultancies, roofing and tiling at the juice plant.

Masroor Food Processing (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015) (ASAP-Chemonics 2006-2011)

- ADP-E provided training in food safety, production, packaging and marketing of jams and juices
- Linkages with customers at Ag Fair and with farmers
- IDEA NEW provided a grant for a full line of food processing machinery – pulp and filling. Training and technical support in marketing – production of billboards, brochures, wall clocks.
- ASAP provided food safety trainings.
- ASMED also provided a grant for ketchup plant machinery.
- Loan (ADF: $200K in 2014).

Al-Riyaz Packing Factory (IDEA-NEW-DAI 2009-2015)

- IDEA-New provided grants for warehouse, equipment, tractor, improved seeds and a carton printing machine for $12K.
- Technical trainings in marketing, management and farming.
- Loan (ARFC: $400K, 5% interest rate)

Season Honey (IDEA-NEW-DAI 2009-2015)

- IDEA-NEW provided a trainings in management and sanitization and a grant of $10K to apply for HACCP certification and a grant of $25K for the procurement of packaging (bottles) for honey. Funds were also provided for marketing trainings and to support their attendance at the Ag Fair in Kabul. IDEA-NEW also provided funds for 2 20 feet containers, pipes, wiring, tiles and painting the facility. They also received a loan from ADF at 7% interest.

Saboor Alkozay Textile Company (IDEA-NEW-DAI 2009-2015)

- IDEA NEW provided technical textile and management trainings to staff.
- ABADE granted 40 new weaving machines and machines to dye yarn, which are currently being installed, adding to the original 18 weaving machines.

What difference did USAID's interventions make to Agribusiness Processors?

Number of agribusiness processors still in operation, and performance trends

We found that USAID interventions in the agribusiness processing sector can best be characterized as having mixed results.

Results are largely dependent on the experience, abilities and track record of the local manager of the company prior to receiving the assistance. When the manager had proven abilities and a successful record of achievement in the same or a related discipline of business that was to receive assistance, the likelihood of success increased greatly. When the opposite was the case, the likelihood of a business failure was a near certainty. When successful and experienced local businesspeople requested specific assistance as part of a self-generated business plan and received it, this type of entrepreneur driven approach has been an indicator of increased likelihood of success vs. a start-up company that was created by a USAID project and managed by a person selected by the project with limited or no commercial track record of success. The USAID interventions were all in sectors that are logical for the Afghanistan market and should conceivably do well.

Management ability – both in managing their companies to earn profits and in managing the USAID project which provided them assistance where the key indicators in determining level of success.

Omaid Bahar (fruit juice, dairy and fresh fruit)
While the owner never previously ran a juice production company, he comes from a well-know commercial family with a long history of success in the fruit trading business. He is also intelligent and has received an international education. His hard work, dedication and flexibility in building this company has led to it becoming one of the largest and most well-known companies in the country.

Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
This was an attempt by a USAID project to assist in the resurrection of a dormant company by returning Afghan Americans. Based on the type of machinery they purchased (supposedly with their own funds) they were not experienced in juice or raisin production. The machinery for both the juice and raisin lines can best be classified as having little or no value, which has led to the juice factory's closure and the rudimentary local machinery raisin processing line having a very low output of raisins of questionable cleanliness. (COMMENT: It is reported that the previous managers were capable people with their hands in many commercial activities in Kabul during the years the economy was most promising. However, it is hard to imagine how capable businesspeople would import such poor quality used juice production equipment and expect to earn a profit. They may have been attempting to entice donor support.)

Masroor Food Processing (jams and juices)
This company received a significant amount of free assistance from a multitude of USAID projects as well as low cost debt (ADF: $100K, Ghazanfar Bank: $100K). The company is a start-up, but the manager has a track record of commercial success, having previously run a profitable fruit export business. The manager has succeeding in making his company profitable.

Al-Riyaz Packing Factory (packing materials)
This was a start-up company led by a manager with no experience and funded by USAID grants and loans (ARFC: $100K + ADF: $400K). For a start-up company to build up enough cashflow to service $500K in loans from a full stop proved to be too difficult to achieve and thus the company went bankrupt.

Season Honey (honey)
The company existed prior to USAID support and was successful. The assistance provided by USAID was very beneficial to the company and allowed them to reach a higher standard of production and cleanliness. They were able to expand their business and double their staff of full time employees from 6 to 12.

Saboor Alkozay Textile Company (weaving of scarves and shawls)
The company existed prior to USAID support and was successful but small scale. The assistance provided by USAID was very beneficial to the company and allowed them to reach a higher standard as a result of the IDEA-NEW trainings in textiles and management (and vastly increased production capacity with the addition of the 40 weaving machines under the ABADE grant, which have also allowed for the hiring of 52 new employees, from the original 8 for a total of 60).

Influence of USAID's support on the capacity and ongoing operation of the supported businesses
-Omaid Bahar (fruit juice, dairy and fresh fruit)
USAID support clearly had an impact as it was broad based and comprehensive. Much of where the company is today in terms of capacity can be attributed to the assistance received. The success of the ongoing operation can largely be attributed to the commercial acumen and the drive of the management.

Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)

USAID support had a minimal impact on both the capacity and operations of the company.

Masroor Food Processing (jams and juices)
USAID support created this company and is largely responsible for the capacity. Ongoing operational success is due to the management. Were he incapable, the company would have failed.

Al-Riyaz Packing Factory (packing materials)
USAID support had a minimal impact on both the capacity and operations of the company. The company has failed.

Season Honey (honey)
USAID support had a positive impact on the company, allowing them to improve their sanitization standards and expand their business. The company has an excellent reputation and was successful prior to contact with USAID. Their success can be attributed to good management with experience in their trade and knowledge of exactly what they needed from the USAID project to elevate their company to the next level.

Saboor Alkozay Textile Company (weaving of scarves and shawls)
IDEA-NEW support allowed them to improve their weaving and management standards.
ABADE support allowed them to vastly increase their production capacity and increase their staff by more than 6 times. The primary determining factor in their self-sustainability is the quality of management – a well educated man who travelled to Iran to learn the textile trade and was operating his business successfully well before any contact with USAID was made. The company's success can largely be attributed to the owner's ability to engage the USAID projects in a manner that would allow him to receive the support he needs to expand.

The influence of outside factors on agribusiness sustainability

Omaid Bahar (fruit juice, dairy and fresh fruit)
This is a sustainable company due to a successful blend of the right assistance given to the right manager in the right sector. Prior to USAID assistance, it was a basic company primarily focused on fruit exports. There was also reportedly a small juice production facility.

Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
This business failed due to management incompetence. The poor quality used machinery they bought for the juice plant is of questionable value and broke down after a short period of use.

Masroor Food Processing (jams and juices)
This is a sustainable company due to a successful blend of the right assistance given to the right manager in the right sector.

Al-Riyaz Packing Factory (packing materials)
Management claims that the company went out of business due external factors such as the ASMED project reneging on a promise of a grant of $52K and the landlord increasing rent from $1K-$6K. These excuses are not viable and the failure is that of the management. All managers must navigate choppy waters and find solutions to unexpected difficulties. The USAID projects included in this evaluation could not have foreseen these developments.

Season Honey (honey)
This is a sustainable company due to a successful blend of the right assistance given to the right manager in the right sector.

Saboor Alkozay Textile Company (weaving of scarves and shawls)
This is a sustainable company due to a successful blend of the right assistance given to the right manager in the right sector. The manager knew how to maximize the use of the assistance he

received. He is in the right market, due to the high demand for scarves and shawls, which he can produce locally and compete with imports.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)

-Omaid Bahar (fruit juice, dairy and fresh fruit)
The company was able to hire 280 people full time and up to 600 people part time during fruit season, clearly a USAID success story.

-Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
The company is shuttered save for a basic and small raisin cleaning line that has 10-15 employees depending on workload. This cannot be considered successful.

-Masroor Food Processing (jams and juices)
The company has 20 full time employees and can increase that to 40 employees (20 part time workers) during high season, a minor success story in terms of job creation.

-Al-Riyaz Packing Factory (packing materials)
The company is bankrupt and there are no employees.

-Season Honey (honey)
They were able to expand their business and double their staff of full time employees from 6 to 12 and were able to increase the amount of beekeepers (suppliers) from around 150 to 300.

-Saboor Alkozay Textile Company (weaving of scarves and shawls)
Owner and 8 employees, but plan to hire 50 with the machinery that ABADE will provide.

Impacts on other businesses (e.g., suppliers)

-Omaid Bahar (fruit juice, dairy and fresh fruit)
The company is one of the major buyers of fruit and milk from farmers, leading to increased farmer income (reasonable prices due to lower grade fruit) and stable markets for their products.

-Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
The company continues to buy raisins from local producers but not in a significant quantity, giving some farmers a ready market for their products.

-Masroor Food Processing (jams and juices)
The company sources from local farmers and traders, providing a stable market for farmer's produce.

-Al-Riyaz Packing Factory (packing materials)
The company is bankrupt and has no impact on other businesses.

-Season Honey (honey)
The company is a large consumer of bee products from the local beekeeper community.

-Saboor Alkozay Textile Company (weaving of scarves and shawls)
The company sources its raw materials (cotton yarn and viscose) from Pakistan only.

Other multiplier effects to the economy

-Omaid Bahar (fruit juice, dairy and fresh fruit)
Being the premier juice producer and one of the most successful companies in Afghanistan's agribusiness sector, this company has proven that, under the right conditions, Afghanistan

agribusinesses can produce high quality products that are competitive internationally. This company serves as a model to other Afghan entrepreneurs looking to enter the processing sector. The company has also served to bolster the broader awareness of Afghanistan origin products.

-Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
The company has no multiplier effects on the economy.

-Masroor Food Processing (jams and juices)
The company serves as an example that a small company can succeed and survive in the sector. Due to the small size of the company, there are few multiplier effects on the economy.

-Al-Riyaz Packing Factory (packing materials)
There are no multiplier effects on the economy.

-Season Honey (honey)
The company serves as an example that a small entrepreneurial company can survive and succeed in the bee products sector.

-Saboor Alkozay Textile Company (weaving of scarves and shawls)
The company serves as an example that a small entrepreneurial company can succeed and thrive, especially if it accesses a significant USAID grant.

Negative impacts to local economies

-Omaid Bahar (fruit juice, dairy and fresh fruit)
The manager is a shrewd commercial operator and known to drive a hard bargain with farmers, but this is not unreasonable due to the fact that he buys middle grade fruits in bulk. Some complain that he has put smaller operators out of business or caused them to lose some profits, but this is the way of the free market and he cannot be blamed for any negative impact to the local economy.

-Baghram Fruit & Non-Alcoholic Beverage Co. (raisin processing and packing)
The near failure of the business has led to a minimal decreased demand for local Parwan farmer grapes and raisins.

-Masroor Food Processing (jams and juices)
There are no known negative impacts.

-Al-Riyaz Packing Factory (packing materials)
During its existence, the business met (at least partially) local demand for packaging materials. Small and medium sized packing and processing companies in this study express that finding packing materials that meet their needs is a major barrier at presence, suggesting that this need remains unmet since the closure of the company.

-Season Honey (honey)
The company is located in a small village and there is a likelihood that, as the company expands, increased traffic in the area will not be welcomed by villagers.

-Saboor Alkozay Textile Company (weaving of scarves and shawls)
The company is located in a small village and there is a likelihood that, as the company expands, increased traffic in the area will not be welcomed by villagers. The dyes and other chemicals the company uses may pollute farming areas.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Most of these businesses did not hire women or source from women suppliers, so the impact on women's empowerment can be described as minimal and indirect. The two exceptions are Season Honey, which reported sourcing honey from 20 female beekeepers (out of a total of 300), and Omaid Bahar, which hires some women to work in the factory, from 20 to 40, depending on the season.

What Aspects of USAID's support to agribusiness processors were most successful, and under what conditions?

Proper credible **commercial people** with successful track records should be identified, vetted and supported. Those **quality managers** who have proven themselves in this market, should be supported in a way to allow them to serve as an example to others to entice them to enter the marketplace and produce locally vs. import, e.g. Omaid Bahar, Masroor Food, Season Honey, Saboor Alkozay Textile Co.

Market-driven approach - Profitability is paramount. Before doing any project, a **feasibility study** should be done on commercial viability, otherwise the funds will likely be wasted. Should study which products are in demand and which are profitable and then guide businessmen or farmers in the best way to meet the standards demanded in the marketplace.

Although support of **existing successful businesses** are optimal, supporting **start-ups** can be warranted as and when professional managers are linked with commercially viable projects as supported by bankable feasibility studies. Many of the assessment criteria employed by banks in assessing loans should be used when analyzing the viability of support to agribusinesses, e.g. Omaid Bahar, Masroor Food, Season Honey, Saboor Alkozay Textile Co.

The managers should drive the receipt of assistance process in an **entrepreneurial** way with assistance from appropriately qualified USAID consultants.

Continual **monitoring** of Afghan company management should occur and USAID support should be suspended if performance does not warrant further support. E.g. In the case of Nezam Cold Storage, there were a number of instances where things went off track and were not corrected in a timely manner. There were indications that it would likely not work out at a relatively early stage in the engagement.

Equipment procured should be suitable for its intended use with appropriate low cost technical consultants and low cost accessible maintenance and spare parts.

Grants should only be done if they are necessary to overcome a hurdle that would not be overcome if the grant were not to take place and should have a high probability of leading to a sustainable business. One-time grants are best and should not require less than a 50% local contribution in cash.

Access to finance is very important, especially to cover working capital expenses in early stage agribusinesses. More low cost lending (sharia compliant if requested). Favorable interest rates and longer term are optimal, e.g. Season Honey.

Training if specifically requested by qualified company management and appropriate to company circumstances, it has more likely than not been a valued intervention. An example has been training support to include training in improvement of sanitization standards, which is required to export food products, e.g. Omaid Bahar, Season Honey.

What aspects of USAID's support to agribusiness processors appear to have been least successful and/or what conditions appear to have been most challenging, and why?

Projects to support agribusinesses have frequently selected the **wrong local partners** due to having done little or no due diligence on the people and/or poor or no assessment of grant applicants. As a result, many cases of unskilled and/or inexperienced people received significant largesse and even outright fraud is frequently evident. IPs often pay people to attend trainings, which can be described as "buying deliverables".

The failure rate is high for agribusiness projects that move ahead too quickly without carefully considering the implications of the actions, i.e. **poor quality or no feasibility study**. (COMMENT: It is recognized that the very purpose of development work of this kind is to take on high risk projects that the conventional private sector has shunned due to risk. However, more care could have been taken to mitigate risk.)

Agribusiness projects that are driven by **project document work plans** and milestone timelines and not by competent Afghan managers approaching a project with a commercial plan have a high failure rate.

When **unsuitable equipment** is purchased from the wrong supplier who does not offer appropriate installation and after sales service, the likelihood of company self-sustainability decreases.

A company's **overreliance on grants** and various handouts can lead to a **dependency psychology** of the management that will lead to difficulties when the manager must survive in the marketplace without assistance.

Poor location selection. Projects and management frequently make poor decisions concerning the physical location of buildings and various facilities leading to difficulties which may affect the sustainability of the business.

Companies that become **overleveraged** have a higher failure rate.

AGRICULTURAL TRAINING CENTERS

a. Sources of Data

- Interview with managers of Agriculture Training Centers
- Site visits to Agriculture Training Centers in Kabul and Nangarhar (Jalalabad)
- Interviews with key informants (AISA, ACCI, MAIL)
- Interviews with relevant IP (former ASAP and IDEA-NEW staff)
- Interview with University of Kabul Professor – Horticulturist.
- Project reports
- Project evaluations
- Various online sources

Introduction to the Agriculture Training Centers

Agricultural Training Centers are not typical businesses, in that they cannot be sustained through fees charged to farmers (or at least, there are no examples of this working in Afghanistan). Rather, they are either affiliated with the government (Badam Bagh Research Farm) or they run privately and win grants to deliver training courses and related services from donor-funded projects (Nangarhar Afghan Agricultural Training Center). Both Badam Bagh and Nangarhar Afghan Agricultural Training Center were included in this study, having received support from ASAP and IDEA-NEW respectively.

Nangarhar Afghan Agricultural Training Center (NAATC) received support from IDEA-NEW in the form of an in-kind grant worth $23,000 for a 14 Kw solar power system (2014), which enabled the center to light, heat and ventilate the greenhouses, allowing them to sell vegetables in the off-season. According to documentation, the NAATC provided an in-kind contribution of $15,200, largely in the

form of trainings provided to farmers. IDEA-NEW also provided a nursery, saplings and tools and a 60% grant for a greenhouses and 40% grant for livestock purchase.

The IDEA-NEW grants did not directly support training activities, as the NAATC also operates demonstration and working farms, including dairy, goats, and vegetable production. Its owners, who are members of the former shah's family, are in the process of building a new center in Kabul province, owing to security concerns in Nangarhar. While the farms appear to be operating well, their main business has been as a subcontractor for project implementation for numerous donors. This work is much reduced as most donors are reducing their funding to Afghanistan. They have also received support from multiple donors. For example, the Dutch have reportedly provided 6 cold storage containers which are not functioning. Finally, they received an ADF Loan of 6.6 million Afghani ($150K) for 1.5 years at 9% interest. It is not clear what the strategic value of the IDEA-NEW grants was in this case.

Most of the remaining report focuses on the Badam Bagh Research Farm, as ASAP's support was intended specifically to help it function as a demonstration farm, with a potentially large impact on farmers' learning.

Badam Bagh Research Farm received extensive support from ASAP. As described in the ASAP Final Evaluation, the purpose of the farm was to demonstrate the possibilities for increasing production and yields, the demonstrations and trials mentioned above were conducted closer to the participating farmer villages. Additionally, ASAP embarked on a program to demonstrate more technical, higher value agriculture methods to extension staff and farmers. These trials and demonstration would be initiated in conjunction with the rehabilitation of the Ministry of Agriculture, Livestock, and Irrigation (MAIL) research and demonstration farm at the Badham Bagh Complex (BBC), which existed long prior to contact with USAID.

ASAP invested in developing the agriculture facility at BBC, a large compound that belongs to MAIL and serves as research and plant stock multiplication unit, located just on the outskirts of Kabul. This facility serves as a showcase for the activities of MAIL and points the way for agriculture progress in the future. The premise and justification for ASAP rehabilitating and establishing the facilities at BBC was to demonstrate and transfer modern agricultural best practices to Afghan farmers and extension staff throughout the country through trainings and demonstrations.

ASAP assistance to BBC included laser leveling of the land and rehabilitating the existing but damaged irrigation systems, including the addition of drip irrigation, blocking system and construction of demonstration plots. In addition, unused or underutilized land was put back into agriculture, including low and upright tunnel greenhouses and a pavilion for the AgFairs. These facilities continue to be available to MAIL following closure of the project.

ASAP introduced various hybrid seeds for plant adaptation trials, grape trellising technology demonstrations, and greenhouse and non- greenhouse horticulture demonstration activities.

The project also carried out extensive construction works to include: a packing house with cold storage facilities, security wall around entire property, an exhibition hall, plastic greenhouses, a container and other buildings. Two John Deere tractors were supplied.

Trainings were conducted in: technical farming (pruning, grafting, cultivation), marketing of produce and greenhouse operations, packhouse operations; packing, sorting, grading. Training paid for by ASAP at Kabul University: 20 students have received MS degrees and 1000 farmers have attended trainings at the research farm. They have also conducting training under the Train the Trainers (ToT) scheme. USAID funds were used in capacity building trainings and the General Director's travel to the USA (Washington State, Washington DC, Maryland and California (UC Davis) and India.

There do not appear to be any summary records of the activities and results from the demonstrations

and trials at the Badham Bagh Farm (BBF) operated by ASAP. There are lists of participating farmers or extension staff but no record of any follow-up to determine if the trainings and workshops were effective in making changes at the farm level. There are indications based on discussions with former ASAP staff that plastic tunnel greenhouses have been built by farmers in some locations, though again there is no record of this technology transfer.

From discussions with MAIL staff, ASAP operated their section of BBC independently from MAIL and did not involve MAIL personnel in the planning, management and implementation of ASAP demonstrations, trials and training activities. The primary involvement of professional MAIL staff was as participants in the various trainings and workshops.

What difference did USAID's interventions make to Agriculture Training Centers?

Number of Agriculture Training Centers still in operation, and performance trends

Both centers are still in operation. However, Badam Bagh is not functioning as intended, and Nangarhar Training Center only runs when hired by donors, which is happening less at present.

Badam Bagh Research Farm

Before contact with ASAP, the farm had rudimentary facilities and they were not fulfilling their mission. The grounds were unleveled and there was no wall around the farm. ASAP made significant changes to upgrade the facility. ASAP also engaged in multiple activities that greatly enhanced the operation to carry out its primary mission of training farmers. Upon closure of the ASAP project, the farm reverted back to its semi-dormant state and minimal budget provided by MAIL. It has rarely fulfilled its mission in recent times.

Nangarhar Afghan Agricultural Training Center

During the period of IDEA-NEW support, the center was operating although only had a minor impact – only training 400 farmers. Upon cessation of IDEA-NEW financial and other support, the project has splintered. The training center is closed and the nursery, dairy and livestock area, located 1 km away, is functioning apart from the mission of the center and only engages in basic business selling milk, cheese, yogurt, goats, and sometimes cows from their livestock and dairy farm.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

Badam Bagh Research Farm (ASAP-Chemonics 2006-2011)

The influence of USAID support on the capacity has been significant, but the influence concerning the ongoing operation of the business is minimal.

Badam Bagh Research Farm is strictly a government program to research and improve farming techniques and train farmers, serving as a training institute attached to Kabul University's horticulture department.

The farm was never intended to be involved in commercial activities, although several of the packing houses with cold storage facilities which were built with ASAP funds were being used by a private company, Nijabat Haidari Co. Ltd. Supply Services (www.haidarigroup.com) on a rental basis. This company was involved in packaging fruit products for domestic use as well as for exports. It does not appear that the research farm controls this part of the facility and likely does not receive the rent.
The longer-term viability of the facilities constructed and rehabilitated at Badham Bagh Complex are in question. The project has ended and the ASAP sections of the facility transitioned over to MAIL, where responsibility now lies for budgeting the maintenance and use of the complex (there are also reportedly still issues with the disposition and location of equipment that was transitioned over to MAIL).

There are some doubts that MAIL can maintain the facility as a research, demonstration, trial and training complex. At present their activities are minimal due to lack of budget. More importantly, the ASAP personnel with expertise involved with BBC have dispersed and they are no longer connected to the research farm.

Nangarhar Afghan Agricultural Training Center (IDEA-NEW-DAI 2009-2015)

The influence of USAID support on the capacity and ongoing operation of the business is minimal.

Upon the cessation of donor funding to support training, they do not have a budget to carry out their intended activities. Neither the training center in Nangarhar nor the training center in Kabul had any contracts to conduct training at the time of this study.

The influence of outside factors on agribusiness sustainability

Badam Bagh Research Farm
In addition to the significant amount of USAID support through the ASAP project, MAIL received much assistance, dedicated to Badam Bagh Research Farm, from FAO, EU, CIMMYT (Egypt), ICCARDA (Syria) and JICA). Despite this largesse, the farm has pared its activities to reflect its minimal budget.

Nangarhar Afghan Agricultural Training Center
The agricultural training center worked with many different projects: IDEA-NEW, GIZ, DFID, CARD-F, Relief International, BRAC, Dutch have supplied 6 non-functioning cold storage units, and others.

ADF Loan: 6.6 million Afghani ($150K) for 1.5 years at 9% interest.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Badam Bagh Research Farm

USAID interventions appear to have had a positive but limited affect over the course of the ASAP project. As a result of such trainings and demonstrations, farmers were able to increase their output and improve their livelihoods although this has not been verified and the total amount of farmers receiving training is only 1000. However, upon the end of donor funding, the work of the farm in relation to its mission has largely ceased.

The project was very successful for the research farm in terms of upgrading their operation. All of the listed grants allowed them to work in a professional manner and carry out research and farmer trainings on site by giving demonstrations and field days using real world ideal visual aids vs. theoretical discussions. Uneducated farmers were able to see model farming methods and facilities with their own eyes.

Nangarhar Afghan Agricultural Training Center

USAID interventions had a positive but limited effect over the course of the IDEA-NEW project. The grant met its immediate objectives (i.e. to provide greenhouses with power), which had little bearing on training activities.

Employment generated by the supported businesses (and attributable to USAID support)

Badam Bagh Research Farm
The farm has always had 38 permanent staff. 100 jobs were created during ASAP project bringing the total to 150 contract employees. They are no longer with the research farm and only 50 contract employees remain.

Nangarhar Afghan Agricultural Training Center
Currently the center has 12 staff members in Nangarhar and Kabul. Six months ago it was 55 and a year ago it was 100. (There were 45 staff members, including 18 regional staff, at the IDEA-NEW project closure.)

The General Director was simultaneously working as the head of the agricultural training center and working as the staff of more than one Implementing Partner (IP), so these employee numbers are not attributable to IDEA-NEW.

Impacts on other businesses (e.g., suppliers)
There has been no impact as neither farm has significant suppliers other than the agricultural inputs and supplies purchased for the operation of the farm and dairy.

Other multiplier effects to the economy
The multiplier effect for both farms has been transfer of improved farming techniques to farmers, which has been passed on to other farmers. They have participated at the Ag Fair, increasing the recognition of their facility. The level of assimilation of the trained techniques is unclear due to the lack of monitoring and reporting at both training centers.

Negative impacts to local economies

There are no known negative impacts from either of these centers.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Badam Bagh Research Farm
The impact of the project has been minimal to women's empowerment. During the project's operation, ASAP brokered an agreement between Badam Bagh and a women's organization (AWBC), allowing the latter's members, reported to be marginalized women, including widows, to harvest and sell produce from the farm. However, this agreement ceased when ASAP ended.

Nangarhar Afghan Agricultural Training Center
The impact of the project has been minimal to women's empowerment, with only 1 female employee and her employment cannot be attributed to IDEA-NEW.

What Aspects of USAID's support to Agriculture Training Centers were most successful, and under what conditions?

As already noted, the IDEA-NEW support to NAATC was minimal in regards to supporting training activities, but successful in terms of allowing for off-season vegetable production. As the owner comes from a wealthy family and already had multiple sources of income through his various contracts, it is not clear why the grant was required or what strategic value it held.

For Badam Bagh, due to the **lack of records and monitoring**, it is difficult to assess the true impact of the farmer trainings, but anecdotal evidence suggests some benefit to farmers.

USAID support allowed Badam Bagh to work in a professional manner and carry out research and **farmer trainings** by giving demonstrations and field days using real world ideal visual aids vs. theoretical discussions. Uneducated farmers were able to see model farming methods and facilities

with their own eyes. As a result of such trainings and demonstrations, the 1400 farmers who received direct training were able to increase their output and improve their livelihoods through the employment of more efficient farming techniques. It is unclear how many additional farmers were reached as a multiplier effect of the train the trainer (TOT) program. Farmer trainings were successful but had a limited effect due to the relatively small number of farmers trained.

Badam Bagh Research Farm management reports that ASAP funded the education of 20 students at Kabul University's Agricultural studies MS degree program and 1000 farmers have attended trainings at the research farm. They have also conducting training under the Train the Trainers (ToT) scheme. Given the significant USAID investment, these numbers, especially only 1000 farmers, appear to be fewer than needed to make a major impact.

USAID efforts to directly support knowledge transfer, i.e. **trainings**, were the most effective vs. upgrades to the facility and provision of equipment – although those measures provided for a proper overall facility, which better enabled the training farms to carry out their research and training mission.

What aspects of USAID's support to Agriculture Training Centers appear to have been least successful and/or what conditions appear to have been most challenging, and why?

5. Due to the **large number of donors** to agriculture training centers it is difficult to distinguish the true singular effect of USAID support.
6. For NAATC, the targeting of support appears to have been poorly thought out. The NAATC did not need the grant (i.e. it could have funded the solar power through its own resources), and the support did not lead to any broader strategic benefit. There was no justification for this support and its intended outcomes that the evaluation team was able to locate in program documents.

7. Badam Bagh can be considered **less than successful** despite generous contributions from multiple international donors. It runs when there is was a donor budget and pares back operations when then there is not. Likely, NAATC runs purely based on contracts from donors who directly pay for the training.
8. REF: ASAP Final Evaluation (2011): The **lack of monitoring and feedback** from farmers has lead to a dearth of information concerning the true impact of USAID support to Badam Bagh despite an M&E function within the project. Without this knowledge it is difficult to craft the most effective ways to conduct future trainings.
9. USAID and multiple donors' grants to Badam Bagh has supported the intended mission, however a **dependency culture** has arisen whereby MAIL expects all expenses to be paid by foreign donors and they choose not to fund any significant activities from their national budget (which also comes largely from foreign donors).
10. The credibility of MAIL and the Afghan government's **commitment to the farmer training mission is low**. MAIL has received significant support to enable the research farms to train farmers yet this has not continued. They now have the facilities but are waiting for more international assistance.
11. **Myriad donors** have made uncoordinated contributions to the agricultural training centers through MAIL simultaneously leading to **inefficiencies** and most likely corruption.
12. Since the Badam Bagh manager is paid from the MAIL budget, he answers to his superiors in the Ministry and must follow their instructions if he wants to remain employed. There may be a **conflict of interests** if the orders of his MAIL superiors do not jibe with USAID project objectives.
13. **Inappropriate machinery** – e.g. Sourcing spare parts for the John Deere tractors at Badam Bagh Research Farm is difficult, but possible from Dubai.

CASHMERE PROCESSING

Sources of Data

- Interview with the owner of cashmere processing and exporting company
- Site visit to cashmere processing plant in Herat
- Interviews with key informants (DCA, RAADA, ACCI, MAIL)
- Interviews with relevant IP (former ASAP staff)
- Interview with management at competing business (cashmere trader from Kunduz)
- Focus groups with livestock herders who collect and sell cashmere (two with men, and one with women)
- Project reports
- Project evaluation
- MoCI Cashmere SME Action Plan (February 2011)
- ABADE Final Report (with data on results from supporting a cashmere exporter)
- Various online sources

Introduction to Cashmere Processing

There is just one medium-sized company that received support from USAID in this sector: the Herati Cashmere and Skin Processing Company, whose main plant is located in Herat. However, the company's potential role in the sector and Afghanistan's economy is pivotal, as the first cashmere scouring and de-hairing facility in the country.

Afghanistan has for some time been the third largest exporter of cashmere in the world (at about 14% of all cashmere, with China and Mongolia dominating the global market).[71] Prior to ASAP's intervention, there was no facility to dehair cashmere, and a small number of families operating well-established businesses as traders and exporters of raw cashmere, mainly in the west of the country. However, only about a third of cashmere goat herders bothered to collect the cashmere, and the methods of collection tended to result in relatively low quality and volumes.

ASAP's support to Herati Cashmere came fairly late in the project – it contributed the equipment for a dehairing line in 2011, and also supported the owner to attend a number of international expositions and trade shows, leading to some important trade and customer linkages. ASAP also worked with DCA to inform and train farmers through the VFUs on both the value of cashmere and improved collection methods (primarily, the use of combing over sheering). ASAP and DCA also attempted to collaborate on using the VFUs as cashmere collection points, but this latter effort was not successful, according to the project's final evaluation.

What difference did USAID's interventions make to the Herati Cashmere and Skin Processing Plant?

Herati Cashmere and Skin Processing Plant was in financial crisis at the time of this study, and its owner was desperately trying to leverage enough capital to clear his debts and further invest in equipment lines. In the meanwhile, the plant had suspended operations, as they were unable to purchase the raw cashmere they needed.

[71] Percentages taken from the MoCI Cashmere Sector Action Plan

The owner of the cashmere plant, Mr. Abdul Basir Hotak, blamed his financial crisis primarily on the lack of affordable financing options. He said he had been forced to use a commercial bank (Azizi Bank) to take a loan of $5 million five years ago at exorbitant interest rates. He was paying interest at a rate of 16%, and had only managed to pay back $2 million of the principal. In the meanwhile, he had qualified for a loan from ADF, but did not take it. He said this was because the approval from the Ministry of Finance took too long, and in the meantime, he had to renegotiate the terms of his outstanding loan. He claims he needs an additional $6.3 million of investment so that he can acquire 5 more dehairing lines and meet all of his potential orders.

Without doing a full financial assessment of Hotak's operations, which was beyond the scope of this study, it is not possible to definitively pinpoint the exact cause (or causes) of the crisis, the degree to which it might have been avoided, or the degree to which his current business plan is viable. One point worth noting is that cashmere processing and export is a business that tends to require high capitalization. A key informant at DCA explained that ASAP had approached a number of other cashmere exporters previously about setting up a cashmere processing plant, and they were not interested because they said it was too expensive to establish a factory – it would take an investment of about $5-10 million.

Prior to the financial crisis, through 2011 to about 2013, Herati Cashmere went through a period of rapid expansion. Soon after ASAP's dehairing line, a second dehairing line was provided through another donor. Hotak then opened a second processing plant in Faizabad, and a carpet making and distributing operation in Kabul. He hired women in Faizabad to spin the cashmere into yarn, and knit it into finished clothing items, and made connections with distributors in the US, the UK and Italy. While this all looked very promising, the resultant income was obviously not enough to cover his running costs and loan payments, especially following his buyout of his business partner.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

In this instance, ASAP provided both indirect and direct support to the business.

Indirect support included working with cashmere producers (mainly through DCA) to increase the quality and availability of raw cashmere. ASAP also paired up with some other donors (including the World Bank's HLP project) to bring in a Monogolian cashmere expert who assessed the quality and potential of Afghan cashmere.

Direct support included the provision of the dehairing equipment as well as marketing support, mainly through sponsoring Hotak's participation in various international trade shows.

Hotak reported being very happy with the support that he received. He had a say in the type of dehairing equipment procured: it is Chinese, and he says that his staff has the capacity not just to run it, but to maintain and repair it as needed. It appears to be in good repair.

Likewise, Hotak credits ASAP with increasing his company's visibility in the international market. As he notes, the cashmere market is quite small and specialized, and so it does not take buyers long to notice another player on the scene.

Regarding the quality and availability of cashmere (as a result of ASAP's indirect support), Hotak was quoted in ASAP's final report as saying that there was a measurable improvement in the quality

of cashmere he was receiving from farmers: he was receiving hair that had 60% more cashmere, up from 45%.[72]

However, key informants agreed that changing traditional practices and habits – such as the adoption of combing over sheering, takes time, and in general, ASAP's training to farmers was not long enough to have a substantial influence over farmers' practices.

The influence of outside factors on agribusiness sustainability

Factors influencing the sustainability of the Herati Cashmere and Skin Processing Factory, external to ASAP's support, can be categorized into both positive and negative factors.

On the positive side, the owner of the business, Hotak, appears to be very proactive, competent, dedicated and entrepreneurial. He comes across as somewhat of a visionary and had a very good reputation amongst all the key informants we spoke with. He had evidently been successful at leveraging ASAP's support into workable marketing contacts. He was able to make links with distributers and partners in Europe, the USA and China. He also appears to have a good grasp of the international market for cashmere.

As explained by Hotak, Afghan cashmere has real potential in the international market because China currently has a near monopoly, which buyers are anxious to break. Many European and North American customers are also positively disposed towards Afghanistan, wanting to purchase Afghan cashmere as a means of supporting its recovery, so that it is seen as a 'worthy cause', well suited to fair trade niches.

As ASAP noted in its own assessment, while there are issues with the quality and availability of Afghan cashmere, there is huge potential to increase both on the supply side, with benefits for cashmere producers and upwards along the value chain. At the moment, Hotak assesses that he essentially has no competition at the national level because the market potential is so untapped.

On the negative side, operating a processing factory in Afghanistan is not easy. The main factory is located on about 5 jeribs of land in the Herat Business Park. The team visited the site and found that the majority of businesses in the park appear to be inactive, a situation widely attributed both to the poor economy and poor security. Many investors have abandoned these operations. One key informant mentioned that overall prices in the industrial areas – including land lease costs and electricity costs – are prohibitively high for many businesses, leading to a high failure rate.

Secondly, affordable financing appears to have been one of the major obstacles to the business's success. Again, this is a broadly reported issue. In the case of the cashmere processing factory, a substantial amount of capital was required to start it up, and so it was perhaps particularly hamstrung by this limitation.

Compounding this, Hotak was initially in business with a Chinese partner, who presumably was helping with the capital costs. However, owing to the economic crisis in China, his business partner fell into his own financial difficulties, and Hotak had to buy him out. However, it was after the buy out that Hotak also went into a period of rapid expansion.

[72] See also the online article from USAID's website, "A Revolution in Afghan Cashmere", dated November 5, 2010: https://www.usaid.gov/results-data/success-stories/revolution-afghan-cashmere. Accessed November 9, 2015.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

As explained in its reports, ASAP's support to Herati Cashmere was clearly in the context of a broader intervention within the cashmere value chain, with the expectation that it would have benefits both to cashmere producers by increasing the price of raw cashmere (and increasing the number of cashmere goat herders harvesting and selling it), and that it could create downstream value addition opportunities for people working to spin, weave, and knit it.

Employment generated by the supported businesses (and attributable to USAID support)

As of October 2015, the owner of Herati Cashmere and Skin Processing reported having 85 full-time employees hired at the factory (all male), plus an additional 150 women in Faizabad involved in spinning, knitting and weaving.

Of these, 30 full-time factory employees are dedicated to the dehairing line, and all of the women are only able to work because of the dehairing line (without which, they would have no material to spin, weave, and knit).

However, operations are currently suspended, although Hotak reported he was still paying the women. Clearly, his ability to maintain and potentially expand these jobs depends on his ability to redress his current financial crisis.

Impacts on other businesses (e.g., suppliers)

Hotak mentioned that he had potential sales orders of 185 metric tons of cashmere from international buyers, and showed us some evidence of this, through various letters. At present, his factory does not have the capacity to process this amount. If it did, it would be equivalent to about 370 metric tons of raw cashmere. DCA staff estimate Afghanistan's current raw cashmere production at about 1000 metric tons.

The opening of the cashmere processing factory, and increased international interest in Afghan cashmere, appears to have had a somewhat positive impact on the price of raw cashmere. Cashmere producers reported getting about $27 per kg for raw cashmere, which they find is an important source of income, and is increased over the amounts paid about 5 years ago.[73] However, all of the producers the study team spoke with sold to traders on the open market and were unaware of the factory itself. They report getting a small premium on price (about 10%) for better quality cashmere. They report themselves to be limited in their ability to be strategic, because they often sell based on household need rather than on the market.

A number of key informants suggested that ASAP's influence on the practices and level of organization of cashmere producers had been limited, mainly due to the relatively short duration of the intervention.

Other multiplier effects to the economy

Because the cashmere sector is relatively undeveloped in Afghanistan, the success of one company could help pave the way for others – especially by improving the overall quality and availability of raw cashmere, and in international marketing and reputation, and the branding of Afghan cashmere. Hotak appears to be a very good marketer, and his resulting product appears to have a good reputation. For example, several knitting websites contain positive customer reviews of yarn produced by women in Faizabad (and distributed through an American partner called 'From the Mountain').

[73] As reported by focus group participants.

The MoCI's SME Action Plan recognized cashmere as a priority sector, and referenced specifically the work of ASAP and of the Herati Cashmere and Leather Processing company (referred to in MoCI's document as "Macau Cashmere"). The Action Plan was dated February 2011, and unfortunately, does not seem to have made much progress on implementation. It contains many good ideas, including focus on improving value differentiation in the grading of cashmere, and in effectively branding and marketing Afghan cashmere internationally.

Negative impacts to local economies

At present, there were no negative impacts to local economies noted. The halting of factory operations has obviously had a negative impact on employees, and on the women hired to spin, weave, and knit the processed cashmere.

On a broader level, experiences in China and Mongolia raise environmental concerns, as overgrazing by cashmere goats has resulted in major environmental degradation there. Afghanistan's landscape is already highly degraded, so any major expansion of cashmere goat herds would need an environmental assessment – or else short term economic gains would be overshadowed by longer term environmental and economic castastrophe. This is a concern that was mentioned by a few key informants in passing, but does not appear to be yet been addressed or assessed in any systematic way.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

This is a business with a large potential benefit for women's participation throughout the value chain. On the supply side, it creates increased demand for raw cashmere, and therefore a likely (and observed) increase in the price of raw cashmere. On the other side the creation of dehaired cashmere that can then be further processed within Afghanistan, largely by women. Hotak reported having engaged 150 women to do value-added work for him, at wages that he claimed were about 15 times higher than the wage for the equivalent work in the carpet industry. The study team was not able to verify this (particularly as the plant is currently 'dormant'). The yarn spun by these women retails for $60 per 100gm ball online, so such a claim is plausible.

ASAP's interest in supporting the cashmere factory appears to be motivated, at least in part, by its potential in opening up further value-addition opportunities for women. The April-June 2011 ASAP Quarterly Report (p.21) stated that, "The availability of dehaired cashmere will dramatically develop the traditional hand-spinning and hand-knitting industry and thousands of people, mainly women, will be involved in producing hand-knitted wear." As the final evaluation of ASAP notes, its engagement in the cashmere sector, both through support to the factory and to cashmere producers, were a major contributor to the project's gender targets.

ASAP's partnership with DCA was likely a factor in helping reach women on the collection side. Women are traditionally involved in some aspects of livestock keeping, as well as hand cleaning of cashmere. The promoting approach of combing rather than sheering cashmere is also a task that tends to traditionally go to women.

What Aspects of USAID's support to Herati Cashmere were most successful, and under what conditions?

Generally, ASAP's approach in supporting the cashmere sector and cashmere processing factory appear to have been effective. And yet, 4 years after the close of the project, the full potential of these have not been realized, primarily because the intervention was not long enough and there was not enough follow-through. The need for follow-through on what ASAP had started in this sector was noted in its final evaluation.

Aspects of ASAP's approach that appear to have been successful include the following:

- Working with an already established business with a strong, proactive owner. Hotak leveraged the benefits he received from the project in a way that appears to have been partially successful, and still with great potential.
- The quality and type of support given by ASAP was reported to be appropriate and beneficial. The business has been able to maintain the equipment, which has worked as expected. The business was also able to benefit from the technical training and sponsored attendance at trade shows.
- In addition, ASAP was able to, with other partners, support an overall assessment of the quality of Afghan cashmere (by contracting a Mongolian consultant for that purpose) – this information was widely shared, including with the MoCI, which then crafted an 'action plan' for SMEs within the cashmere sector (albeit without much visible outcome).
- Finally, pairing up with DCA to extend training to Afghan livestock herders on cashmere collection and grading appears to have been a partial success. DCA has a long established relationship with the herders, through the VFUs, which it has been running for 20 years.

What aspects of USAID's support to cashmere processing appear to have been least successful and/or what conditions appear to have been most challenging, and why?

As the Herati Cashmere and Leather Processing company is not currently operational, ASAP's support to them obviously cannot be counted as an unmitigated success. At the close of the project, the situation looked very promising. ASAP profiled the company as a success, quoted the owner as hailing a new era in Afghan cashmere, and claimed the intervention would result in thousands of jobs for women in processing dehaired cashmere. However, even at the time, this was clearly not a fait accompli, and the most obvious flaw in ASAP's support is a tendency to be overly optimistic in its claims, and to lack in follow-through. Both of these issues are systemic, related to the way development projects in general are carried out in Afghanistan: on short timelines and with great pressure to show immediate and dramatic results. This undermines the opportunity for more a more considered and realistic strategy.

It is not clear the degree to which the current financial problems of the Herati Cashmere Factory could have been forecast through a proper cost-benefit analysis. This should have been done by ASAP prior to investing in a large equipment grant, as well as by the owner of the company. Perhaps the reluctance of other traders to jump into the processing of cashmere represented genuine fiscal prudence, and the venture should not have been taken without securing a larger amount of capital at more affordable rates.

Finally, ASAP's efforts to change farmers' cashmere collection methods and awareness of grading and price differentials was only partially successful. This is largely attributable to lack of time: behavior change takes time. Farmers also appear reluctant to organize into groups, in part because many of them are subsisting at or below poverty lines, and will collect and sell cashmere based primarily on need. Partnering with DCA makes sense in that the latter has a long term presence with farmers (with programs spanning over 20 years to date).

Likewise, both DCA and the management of Herati Cashmere and Skin Processing noted the need for a hybrid goat breeding program, to increase the size and quality of goats. Both reckoned this would take at least 6 years to accomplish, due to the limited availability of male goats and the time required for at least 3 generations of goats to grow to maturity. However, USAID and other donors had all shown willingness to fund shorter versions of such projects, which are simply not viable.

COLD STORAGE

a. Sources of Data

- Interview with owner and caretaker of Nezam Cold Storage
- Interview with owner of Omaid Bahar

- Interview with owner of Samsor Ban
- Interview with General Director of Badam Bagh Research Farm
- Interview with General Director of Nangarhar Agriculture Training Center
- Interview with Apple trader (Wardak) who ran a cold storage facility (Turkish PRT)
- Interview with General Director of Balkh Dairy
- Interview with Director of Center Dairy Parwan
- Interview with owner of Fruit trader Dost Sharq
- Interview with Jonathan Greenham (ADP-E CoP)
- Interview with Gary Kuhn (Roots of Peace President)
- Interviews with key informants (ACCI, MAIL, AISA, ADF, DAIL Mazar-I-Sharif)
- Interviews with relevant IP (former ASAP, IDEA-NEW, ADP-E, GDA, DIRPA and Roots of Peace staff)
- Focus groups with Dairy Farmers
- Project reports
- Project evaluations
- Various online sources
- Viability of Cold Storage in Afghanistan – ACE Project, DAI

Introduction to Cold Storage Businesses

This study included one commercial cold storage unit (Nezam Cold Storage) that received support from ASAP, as well as a cold storage unit in Nangarhar that has not received USAID support. In addition, several processing businesses in the study had cold storage units (including Balkh Dairy and Omaid Bahar). These were not available for use by other traders, but were an integral part of the business.

Cold storage has been the subject of much interest in the Afghanistan agribusiness sector due to strong need. A number of cold storage facilities have been developed throughout Afghanistan, and although success has been limited, there is continued interest in building more. Numerous key informants raised cold storage as a crucial need, although some of them were also aware of previous failed efforts at creating commercial cold storage, and in some cases, had attempted to rent or use such facilities.

It is also important to note the widely-held perception that neighboring Pakistan is taking advantage of the lack of cold storage capability in Afghanistan by exporting Afghan origin produce during the high season, placing it in cold storage for several months and then re-importing the same for sale and profit in Afghanistan during the low season when the commodities are far more expensive.

Several donor and private sector initiatives have been undertaken to address this need, but to the best of the teams' knowledge, there is not currently a national inventory to determine the full extent of investments in this area. The Agricultural Credit Enhancement (ACE) project conducted a study titled "Viability of Cold Storage in Afghanistan", which represents one of the more comprehensive attempts to assess efforts at cold storage. It concludes that commercial cold storage in Afghanistan is rarely economically viable, due to the high cost of electricity required to run it.

The two projects in this study which primarily supported cold storage are ASAP, which funded Nezam Cold Storage and Omaid Bahar Juice Factory (to which it provided cold storage), and DIRPA, which funded Balkh Dairy and two dairy microprocessors.

Nezam Cold Storage (ASAP Chemonics 2006-2011) is a stand-alone facility solely dedicated to the provision of cold storage services to area farmers and was supported with buildings (construction), cold storage rooms and machinery, generators, full installation and training in technical machinery use and maintenance. The facility is on the electric grid and has back-up generators. Access to air and

rail transport are in close proximity to the facility. REF: ASAP Final Evaluation (2012) There are 11 cold storage rooms of 7 x 7 x 3.4 meters and one section of 12.6 x 7 x 3.4 meters, representing a total cold storage area of 105 x 14 square meters. The facility is secure and includes offices, conference space, and living quarters.

Omaid Bahar was supported by ASAP in procuring a cold storage room as part of their integrated fruit juice and dairy plant. This was an ongoing enterprise before, but the addition of the cold storage capability enabled the plant to store fruit products and has allowed for more efficient use and timing in the juice and dairy processing facility. This processing and cold-storage facility constructed of food-grade materials in 2010 has a 1,000 MT capacity consisting of three pre-coolers and six cold rooms.[74] The facility cost approximately $11 million, secured with two loans, personal assets, and donor support. The facility is on the electric grid, with back-up support from generated electricity.

The dairy plants **Balkh Dairy Plant** (DIRPA Land O' Lakes (2004-2006) were provided with cold storage units to fit the scale of their respective operations – one medium sized and two small scale.

ASAP also introduced Afghan farmers to the benefit of cold storage in 2010. Farmers from the Wardak association kept 500 metric tons of their apples in a cold storage constructed by the Turkish provincial reconstruction team (PRT). The farmers kept their apples in the cold storage facility and sold the apples only when the market demand went up and the prices got attractive. In an effort to boost the capacity of MAIL in order to provide excellent services to the farmers and agribusiness traders, ASAP initiated the AfghanGAP which is a four-stage process. First, ASAP identified and trained Afghan individuals who could work under extremely tough environment in rural areas of Afghanistan. The training was focused on process control and food safety, which are the most demanded requirements by the exporters and importers of Afghan produce.

ASAP had plans to support the procurement and installation of 4 additional cold storage facilities at project sites around the country, including Balk, Wardak, Nangarhar, and Kandahar. For a variety of reasons, these facilities were never built.

Rebuilding Agricultural Markets Program (RAMP)

By the end of June 2006, RAMP had installed 42 cold rooms with 25 MT capacity in 10 provinces. REF: ASAP Final Evaluation (2012)

What difference did USAID's interventions make to Cold Storage?

Number of Cold Storage still in operation, and performance trends

The majority of stand-alone cold storage projects and companies have not been self-sustainable, e.g. Nezam Cold Storage. The primary reason is the high cost of electricity required to run them. In most cases, generators must be used to augment on-grid electricity or else due to the entire absence of on-grid electricity, making costs prohibitive. In the case of smaller-scale specific interventions as part of ongoing agribusiness processing companies and designed to fulfill a clear and particular need, the success rate has been far higher, e.g. Omaid Bahar, Balkh Dairy.

REF: ASAP Final Evaluation (2012): Below is a table of known sizeable cold storage facilities and their current status:

No.	Client	Province	District	Product	Status
1	Omid Bahar	Kabul	Center	Juice Factory	In use (ASAP)

[74] The cold storage unit was later destroyed in a suicide bombing attack, and had to be replaced at the owner's expense.

2	Nezam Cold Storage	Balkh	Mazar-e-Sharif	Export of Fresh Fruit	Not in use (ASAP)
3	Barakat	Balkh	Mazar-e-Sharif	Export of Fresh Fruit	No USAID involvement
4	Wardak Association	Wardak	Center	Apple	Turkish PRT. WARDAK Apple exporters. (No ASAP involvement.) Not in use. Security problems.
5	Nangarhar Export Association	Nangarhar	Center	Export of Fresh Fruit	No ASAP involvement
6	Spin Boldak Association	Kandahar	Spinboldak	Export of Fresh Fruit	Al Rahman Alrahim Co. (ASAPk) Not in use. Security problems.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses
Nezam Cold Storage has failed despite the installation of functional machinery. In the majority of cases stand-alone cold storage facilities have failed. In the majority of cases, processing factories with good management and the right conditions have benefitted in successfully using USAID funded cold storage interventions. USAID support has been successful at the installation phase but all beyond has been subject to market forces and management.

The influence of outside factors on agribusiness sustainability
Problems with inefficiencies, power outages, power surges and expense connected with the national electricity grid and high cost of diesel fuel remain continuing impediments to running an economic stand-alone cold storage facility.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)
60 jobs were created at various phases of the Nezam Cold Storage construction and machinery installation but currently only a caretaker and a security detail are the only employees.

Impacts on other businesses (e.g., suppliers)
In the case of Nezam Cold Storage, the project has failed and there are no impacts on other businesses and no other multiplier effects. The only negative impact has been the knowledge in the local commercial community of an opportunity lost.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

The storage at Nezam Cold Storage has never been used, so no women farmers, businesspeople or employees have been involved or benefitted.

What Aspects of USAID's support to Cold Storage were most successful, and under what conditions?

Cold storage interventions as part of an integrated agribusiness processing company with good management have fared well if there is commercial viability.

Smaller scale cold stores for specific and targeted use as part of an ongoing business make the most sense, e.g. Omaid Bahar, Balkh Dairy.

Beneficiaries of integrated smaller scale cold storage facilities should drive the process and be able to clearly articulate and quantify how the refrigeration unit will positively impact their business over the long run.

REF: "Viability of Cold Storage in Afghanistan" report done by the Agricultural Credit Enhancement (ACE) project (DAI), Pg.1; of the products analyzed, "grapes and (to a lesser degree) pomegranates and peaches were identified as profitable. For these products, cold storage should only be considered if the cold chain can be maintained beyond the cold-storage facility. For other crops, there is questionable added value when confronted with the high costs of energy. High costs combined with little attention to market structure and cold-chain requirements have proven to be major challenges to existing cold-storage infrastructure."

What aspects of USAID's support to Cold Storage appear to have been least successful and/or what conditions appear to have been most challenging, and why?

Projects where there was poor planning and no feasibility study. A properly done feasibility study would have identified the many obstacles to running a self-sustainable cold storage facility.

Power costs prohibitive - Electricity is major issue – too expensive, lines do not run to many areas, voltage incorrect, power outages, power surges and fluctuating amperage. Temperatures need to be maintained at specific levels and machinery may sustain damage. Without a stable and reasonably priced electricity capacity, it is unlikely cold storage operations can be profitable in Afghanistan. Generators require costly diesel fuel and the quality is often suspect.

Often times uneconomic -- too expensive, not suitable, impractical due to too many major hurdles to overcome.

REF: "Viability of Cold Storage in Afghanistan" report done in 2011 by the Agricultural Credit Enhancement (ACE) project (DAI), Pg 16; "Operations and management have not been given strong consideration in the development of cold-storage facilities. Farmers and public sector participants (the majority of recipients) lack the capacity, resources, and market linkages to effectively manage such facilities. Facilities should be managed by private sector individuals with proven experience in managing cold-storage facilities and in marketing fresh fruits and vegetables with existing relationships."

REF: "Viability of Cold Storage in Afghanistan" report done in 2011 by the Agricultural Credit Enhancement (ACE) project (DAI), Pg 16; Cold storage facilities in Afghanistan have been build with "Unreasonable objectives for use- With highly-perishable products and no cold chain, ―storing produce beyond season is not an appropriate objective."

Improper vetting of partner – inexperienced or just the wrong partner

Improper international technical consultants hired to install the machinery and provide trainings, e.g. Nezam Cold Storage.

Improper IP personnel – inexperienced or having poor judgment.

Poorly written contracts between IP and partner

Afghans are inexperienced in cold storage. Farmers need to be educated re the benefits. They don't trust that they will get the same produce back that they put in. They fear their produce may be stolen. Need to share with many others. Risk is too high that something could go wrong and they will lose much of their net worth. Easier to sell for cash in hand. "One in the hand better than two in the bush." --and are surprised they have to pay for it.[75]

The configuration of the cold storage facility must fit the use. i.e. if there are many individual farmers who want to store their produce, there must be appropriate space and temperature to make it viable. Different agricultural commodities have different shelf lives and different optimal temperatures at which to refrigerate. It is difficult to match up physical space available and temperature with whatever is demanded in the marketplace on a fluid and cost-effective basis. Best to deal only with large farmers who deal in bulk, but most farmers are small scale. Traders are not easy to deal with and unwilling to pay much.

In many parts of the country, cold storage is only needed for limited periods of the year. Afghans have grown accustomed to finding ways around using modern cold storage technologies.

Nezam Cold Storage was poorly located: too far from markets, inaccessible, not on power grid.

Title of land not verified as being fully legal.

AfghanGAP aka "AfGAP" was not a realistic program and diverted attention away from needed marketing activities. No foreign markets (Pakistan, India, Dubai) accept this standards designation and it does not succeed in being recognized or in allowing Afghan traders to receive higher payments. (Europe rewards "GlobalGAP" certification by allowing products to enter supermarkets, but AfGAP is not known or recognized.)

The wrong kind of cold storage is often built – smaller for short-term use (for meat), not larger for long-term use (fruits and vegetables).

COMMERCIAL ORCHARDS

a. Sources of Data

- Interviews with owners of commercial orchards
- Site visits to commercial orchards
- Interview with key informants (for example, the Directorate of Agriculture, Irrigation, and Livestock)
- Project reports
- Project evaluations

Introduction to Commercial Orchards

The fruit crops of Afghanistan have very promising opportunities for development. Horticulture products are of high value; if well-managed, the returns to the farmers on the various fruit and nut crops can easily exceed the returns that farmers receive on the illicit opium crops.[76] Full commercial orchards are still uncommon in Afghanistan. Many of the fruit orchards still have mixed species of

[75] Interview with Rashid Nezam, the owner of Nizam Cold Storage.
[76] Based on information in the MAIL Master Plan

fruit, planted at different times, without any great sense of planning. The fruit industry in Afghanistan must receive attention to solve some problems like poor varieties, seedling rootstocks, diseases, and pests.

ADP/E through the International Foundation of Hope and Roots of Peace supports commercial orchards in eastern regions. In addition, IDEA-NEW established fruit orchards in the eastern region. Based on interviews with the beneficiaries, that project contributed budded saplings, fertilizers, and tools for the establishment of 3.5 *jeribs* of apricot orchards with the Charmaghzai variety. Also, the project helped the orchard owners with their layout, and provided training in good agricultural practices such as pruning, training, fertilization, irrigation, IPM, harvest, post-harvest, and marketing.

During the field trip to Nangarhar province, two apricot, one citrus, and one persimmon commercial orchards in Behsud district were visited. The layout of the orchards, the fruit-tree training, and growth status were good. The variety of apricot was Charmaghzai in the orchard.

ADP/E established a 3.5 *jerib* apricot orchard. The variety of apricot was (ostensibly) Charmaghzai. The owner of orchard said the variety of Charmaghzai was not the true one. The resulting fruit from his orchard has a soft skin, poor taste, and no local market. After ten years of waiting, there has been no improvement in the fruit, so he decided to destroy the orchard this year. At the time the study team visited the orchard, the owner had already started uprooting the fruit trees. During the field visit, a citrus orchard, which was established by IDEA-NEW, was visited as well; the variety of the citrus was very small and poor quality. Also, during the field visit, one persimmon orchard was visited, and the fruit variety was good and marketable. The warm climate in Jalalabad makes growing apricot, plums, peaches, and apples are unsuitable, unless very early mature and marketable varieties of peaches, apricot, and plums are planted.

What difference did USAID's interventions make to commercial orchards?

Number of commercial orchards still in operation and performance trends

ADP/E through the International Foundation of Hope established over 5,000 new fruit and nut orchards on more than 3,000 hectares of land, totaling over 950,000 fruit and nut trees in the eastern region. Interviews with two beneficiaries and four site visits found that the management of orchards looked good, but unfortunately could not solve the issue of the poor variety of fruit trees that was planted, and so the commercial orchards are not profitable. The fruit from apricot orchard was not suitable for fresh and drying purposes. In the citrus orchard established by IDEA-NEW, the variety of citrus was Chinese lemon, which is a very small-size fruit and not marketable. The fruit growers mentioned that during the past ten years, their production was low, the fruits not marketable, and they were not able to cover the cost of orchards.

Figure 4: Uprooted commercial orchard fruit trees

Influence of USAID's support on the capacity and ongoing operation of the supported businesses
Due to the wrong variety of apricot planted, its poor taste, and lack of marketability, the influence of USAID support was negative.

The influence of outside factors on agribusiness sustainability
There were no outside factors that had a bad impact on the commercial orchards' sustainability. The internal factors for orchard profitability were high-quality fruit and sufficient quantity in the local market, but these were not satisfied.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Even if the orchards had been operating properly, it would have had limited contribution to the local economy. According to interviews with former ADP/E and IDEA-NEW staff, the apricot, pomegranate, and citrus orchards were not good due to uncertified and poor varieties. The persimmon orchards established by IDEA-NEW were good and profitable.

Employment generated by the supported businesses (and attributable to USAID support)
The commercial orchards business provided short-term job for eight people. In addition, women in the farmers' families were also involved in the agribusiness. The eight people were involved in fruit tree pruning, weeding, irrigation, pesticide and fertilizer application, harvesting, and packaging and processing.

Impacts on other businesses (e.g., suppliers)
To manage the fruit orchards, there is a need for agriculture inputs such as fertilizers, pesticides, tools, etc.

Other multiplier effects to the economy
N/A

Negative impacts to local economies
Although the quality and production were low, the fruit orchards did not have a negative impact on the local economy.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Women are not directly involved in orchard activities like planting, pruning, and irrigation, but they do work in fruit harvesting, grading, packaging, and processing activities. However, as this orchard is non-functional, there is no potential for indirect benefit to women.

What Aspects of USAID's support to commercial orchards were most successful, and under what conditions?

ADP/E provided a poor, off-type variety of fruit trees to these orchards. Because of this, the orchards failed, and the support provided was ineffective. Due to the poor intervention, the agribusinesses were not able to reach its goals. Introduction of the appropriate variety, taking into consideration the climate condition and marketability, will make the commercial orchard agribusinesses successful.

What aspects of USAID's support to commercial orchards appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The apricot and citrus budded saplings provided for commercial orchards by the project were not successful, because they were of poor quality, could not be transported, and were not market-oriented. Due to a lack of certified budded saplings, the orchards were established with unknown seedlings that resulting poor quality and unmarketable fruits.

The table 1 shows that the profitability, economic impact, engagement of women, and effectiveness of the orchard businesses were very weak with high certainty.

Table 1: Certainty level of fruit orchard business operation and profitability

Orchard owner	Matiullah	Haji Muslim
Size	Micro	Micro
Region	Eastern	Eastern
Profit /Certainty	1/ High	1/ High
Operation/ Certainty	4/ High	1/ High
Economy/ Certainty	1/ High	1/ High
Women/ Certainty	1/ High	1/ High
Effect/ Certainty	2/ High	1/ High

Scale:
1= Failed
2= Weak
3= Ok
4= Good
5= Excellent

DAIRY PROCESSING

Sources of Data

- Interview with owners of Balkh Dairy, Center Dairy, and Jebul Saraj Microprocessor
- Site visit to Balkh Dairy in Balkh, Center Dairy
- Interviews with key informants (DAIL Balkh and Parwan)
- Interviews with relevant IP (former DIRPA CoP)
- Focus groups with Balkh Dairy Plant famers who provide milk to the plant (ten men)
- Project reports
- Various online sources

Introduction to Dairy Processing

"Afghanistan is traditionally an agriculture-based country, and the country was self-sufficient in livestock and dairy in the past. However, with a rapidly growing population, it now depends mostly on foreign imports. This is due to decades of war, limited industrialization, and unorganized supply chain systems. The dairy products that Afghan consumers prefer are mainly cream, yoghurt, fermented milk drink, quark, and soft-cheese; particularly milk, and those products are consumed more for breakfast in the winter season."[77]

The USAID-funded DIRPA program implemented by Land O'Lakes established two small dairy centers in Parwan and supported an existing one in Balkh province. The program helped processors penetrate and develop consumer markets. By guaranteeing markets, increasing milk production and improving market linkages, the project bolstered the incomes of small land-holding dairy farmers.

[77] *Investment opportunities in Afghan Dairy & Livestock Research, Planning and Policy Directorate,(AISA), Author: Abdul Samad Katawazy*

Each of these plants followed a strategy involving food processing, improvement of farming practices, and creation of new market linkages to add value to raw milk and expand dairy markets:

- **Parwan province:** Built two milk collection centers that each have a pasteurizer, cream separator, yogurt incubator, and ice cream machine.
- **Balkh province:** Helped a farmer organization build a medium-scale plant, with a, five-ton per day capacity that provides dairy farmers with an intermediate step between hand-milking for on-farm consumption and mechanized milking for high volume, modern dairies. For consumers, this plant fills a market niche between the low-quality products sold by milk collectors and farmers and the expensive UHT products.

The proposed structures for ownership and management are based on the cooperative system. Farmers own the processing plant and thus control the total chain from cow to consumer (or at least until the retail shops). In India, this model was developed shortly after the Second World War (the AMUL Co-operative in Gujarat state was founded in December 1946), and in western Europe cooperatives had already been established towards the end of the 19th century.
In the Netherlands, 85% of the milk is processed by dairy co-ops. It is clear that the cooperative system has a long history. In most places, it is started at a village level, gradually expanding and growing to meet the challenges of competition by increasing the scale of operation. Not only is the milk processing industry developed in this way, but similar processes can be seen in breeding organizations, insurance companies, banking systems, feed producers and many other agricultural enterprises. As a pattern, the development always starts from the bottom and is developed step by step.

In Afghanistan, the FAO dairy projects followed a similar approach: at the village level, farmer groups were established (all milk suppliers with a direct interest) that own and manage a (simple) collection center. Several of these village groups, now formal co-operatives, then form a union. In Parwan, two milk collection centers were established with support from Land O' Lakes, but these initiatives failed, mainly because the project period was too short to support the co-ops sufficiently in their development.[78]

1. **Balkh Dairy:**

   The company started in 2007 with support from Land O' Lakes under the USAID DIRPA project. The plant collects, filters, homogenizes, pasteurizes, packages, and sells dairy products; milk, yoghurt, cheese. The company has the capacity of processing 5,000 liters of milk. With USAID intervention the company was able to increase the number of its staff from five to 20. The owners would like to make a deal with an Indian machinery manufacturer to replace the older machinery they are currently using. They would like to do this machinery upgrade on a 50% BDU contribution/50% grant basis (they have funds available from profits, but not enough to do an upgrade they feel they need to do to reach the next step. The new machinery will be more sanitary and produce cleaner products that will have a far longer shelf life – from one week to six months in the case of yoghurt.

[78] Study on Dairy Production and Processing in Afghanistan For the Horticulture and Livestock Project/HLP Ministry of Agriculture, Irrigation and Livestock/MAIL Afghanistan.

They are not interested in producing UHT milk products, which is what many of the Uzbek, Iranian, and Pakistani companies sell in Afghanistan, due to Balkh's focus on servicing the local market with fresh and healthy products (UHT processing destroys many of the nutritional properties of the milk). They are, however, interested in expanding to sell in other urban areas, but that is not in the near-term plan.

2. **Center Dairy (Sofyan)**

The dairy center is inactive, but the project was a failure due to the poor economics of the project and apparent lack of a proper feasibility study, poor project management (Land O' Lakes), poor local management (Sayed Naser and others,who had limited experience in dairy, if any) and greed of local employees.

The center is a U-shaped building with three rooms, one on each side of the U. One of the side rooms is dedicated to housing the processing equipment (pasteurizer, freezers, yoghurt makers, etc.), which is used to process the milk collected from the farmers. The central room is dedicated to the collection equipment, with a collection tank, a cream separator, and milk-testing equipment.

3. Jabul-Seraj Dairy

The collection center was constructed using more traditional methods, design similar to the MCC in Sofyan. The center is a U-shaped building with three rooms, one on each side of the U. One of the side rooms is dedicated to housing the processing equipment (pasteurizer, freezers, yoghurt makers, etc.), which is used to process the milk collected from the farmers. The central room is dedicated to the collection equipment, with a collection tank, a cream separator, and milk testing equipment. The Jabul-Saraj center also has a sufficient supply of running water, and septic and storage tanks.

What difference did USAID's interventions make to Dairy Processing centers?

Number of Dairy Processing centers still in operation, and performance trends

Three dairy centers were part of this study, all supported by DIRPA. One is active (the Balkh Dairy Plant) and two having already failed, one due to bankruptcy and the second due to mismanagement and high cost. Both failed dairy centers are located in Parwan.

The DIRPA project provided a dairy-processing facility through the construction of a 5,000-liter milk capacity dairy plant in Shirabad village of Balkh Province in 2007. The company is run by very good management with high involvement of women, as they are very active in the dairy supply chain. Community members said they are very happy with the intervention. They mentioned the saying: if you have two cows, one will cover the cost of the two cows, and the other one can run a family.

The main problem for the Balkh Dairy Plant lack the freezing facilities in its milk collection centers if they have the facilities the milk collection centers can collect all milks coming from the farmers. In some areas the farmer cannot sell the milk every day due the same issue. The management of the dairy plant has decided to upgrade the capacity from 5,000 to 10,000 liters. By doing this they will cover the extra district of Sholgar.

According to the DAIL director, Mazar people are happy with the dairy production of the Balkh Dairy Plant.

On the other hand, the two failed dairy centers in Parwan province were also supported by DIRPA. The first one, named the Center Dairy in Sofiyan village, failed due to multiple reasons. The reason given by the manger during an interview was failure in finding a good market for the product and high running costs, and but the team found the company could not maintain the equipment and also suffered from weak management. The Dairy center in Jabalsaraj has the same story, according to the DAIL director of Parwan. He said the wrong local people were selected as partners (grant recipients) in this business. Associations were not strongly led and the members were not closely linked. The projects were not economically feasible – the milk was collected, but the income was reportedly not enough to cover the running expenses of the dairy plants.

The key finding is that the active business that was supported is still active and making progress and profit, but the newly established ones failed due to weak management and wrong choice of an operator.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

All three dairy centers were supported by USAID. Two failed and one is still running, the Balkh Dairy Plant. This was a FAO-supported dairy plant that was not in a position to meet the demands for higher quality, as its processing facilities were not adequate. FAO established the plant in 2002, then the DIRPA project came and started supporting the plant. Now, with investments from USAID in new processing and packaging equipment, it is in a better position to compete in the market. This is leading the management to expand its operations and strengthen the commercially-viable enterprise. A major concern will remain the quality of the raw milk, which cannot be guaranteed without an efficient collection system and cold chain. Even the best processing equipment cannot improve the basic quality of the raw milk that is delivered at the plant.

The influence of outside factors on agribusiness sustainability

Overall, security is a major limiting factor in Afghanistan. For a country that suffered conflicts and war for 30 years, where educational systems collapsed and infrastructures were largely destroyed, it will take time to build new structures for milk collection and processing and make them technically and financially sustainable. In most areas of the country, people in the same village are not unified and it is difficult to make them cooperate.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

The DIRPA project aimed to expand dairy markets and improve linkages along the value chain. Implemented by Land O'Lakes, the USAID-funded DIRPA program built three types of dairy processing plants in Afghanistan to guarantee markets for locally-produced milk and to train farmers to produce high-quality raw milk. The program helped processors penetrate and develop consumer markets. By guaranteeing markets, increasing milk production, and improving market linkages, the project bolstered the incomes of farmers. Each of these plants followed a strategy involving food processing, improvement of farming practices, and creation of new market linkages to add value to raw milk and expand dairy markets.[79]

[79] Afghanistan Fact sheet Land O'Lakes

The average annual income of the farmers increased from $374 to $807 from selling surplus milk production from 2005-2014. Rural women control 80% of the cash earned from milk and have full authority on how this income is spent at the farm level.[80]

Employment generated by the supported businesses (and attributable to USAID support)

Of the three dairies considered in our study, two failed to provide any sort of intended contribution, but the Center Dairy had some economic influence on the people because they bought milk from the village where the plant was installed and also from surrounding areas. One of the positive impacts that came from this plant was electricity because the government provided electricity for the whole Sofyan village.

On the other hand, the Balkh Dairy Plant has created jobs and contributed to the local economy. The plant has 20 employees, 17 male and three female. Furthermore, according to the Manager of Balkh Dairy, 2,000 women are involved in the dairy chain, and these can be considered indirect jobs. As mentioned before, in Dehdadi, they have a saying about owning two cows; one will feed the two cows and the other one will feed the family.

Impacts on other businesses (e.g., suppliers)

The dairy sector does not have a major impact on other businesses. However, it provides opportunities for VFUs and AgDepots, where livestock owners go for services. In case of the Balkh Dairy Plat, according to the farmers in a FGD, the veterinary services is provided by the BDU; even if cooperative members are unable to pay for any veterinary services up front, they deduct the amount from the milk that is eventually sold to the collective. The vet charges are cheaper than in the open market. If the milk they provide is, for whatever reason, not up to standard, they receive help from BDU to improve the standard.

Other multiplier effects to the economy

N/A

Negative impacts to local economies

There was no evidence of any negative impact on local economies. There might be some on individuals due to the presence of milk solids (e.g. protein, fat, carbohydrates, and lactose), and untreated wastewater from dairy-processing facilities may have significant organic content, biochemical oxygen demand (BOD), and chemical oxygen demand (COD). Whey may also contribute to high organic loads in wastewater. Salting activities during cheese production may result in high salinity levels in wastewater. Wastewater may also contain acids, alkali, and detergents with a number of active ingredients, and disinfectants, including chlorine compounds, hydrogen peroxide, and quaternary ammonia compounds. Wastewater may have a significant microbiological load and may also contain pathogenic viruses and bacteria.[81]

What difference did these businesses make to women's access to and participation in agricultural value-chains?

The DIRPA final report states that Land O'Lakes, with its extension activities in Kunduz and Parwan provinces, identified educated village women to serve as extension agents for the project. After

[80] Dairy Industry Development Project-FAO

[81] Environmental, Health, and Safety Guidelines DAIRY PROCESSING (IFC)

completing a training course, they returned to their villages to provide direct assistance to other women farmers responsible for livestock in their households. Each agent had approximately 100 female farmer clients. The extension workforce worked with women farmers in Parwan province for approximately 18 months, training them in basic milk handling, sanitation, nutrition, and health management methods. The number of women farmers receiving assistance grew from 737 to over 937. As a result of this training, the quality of feed improved and water was constantly available to their cows. Simple changes like these resulted in higher milk yields and increased household income.
The project also had an indicator that targets women: *Number of Women Dairy Farmers Benefiting.* The target in the final year was 700, but DIRPA achieved 550.
Farm women primarily have responsibility for the dairy cows kept in household compounds. They usually receive the payments for the milk delivered to the collection centers. With 550 families providing milk to the plant in Balkh province, at least 550 women farmers benefited from the new Balkh Dairy. Most rural households include more than one woman, so this estimate of one woman per household probably understates the impact of the program on farm women. When milk purchases expand to fill production capacity, Land O'Lakes expects the number of women beneficiaries will grow to the 2008 target of 700 women.[82]

During the interview with the Manager of Balkh Dairy, he mentioned that 2,000 women as indirect beneficiaries, which shows growth in the number but the certainty level remains low.

What Aspects of USAID's support to Dairy Processing Centers were most successful, and under what conditions?

The work with a pre-existing plant or processing center seemed to be successful. A study titled Dairy Production and Processing in Afghanistan for HLP stated the same; the best example is the Balkh dairy plant, where the project turned into a success story

Overall, any active dairy center supported by USAID can be considered a success.

What aspects of USAID's support to Dairy Processing Centers appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The two dairy centers in Parwan count as failure, and the team scored them as failed businesses with a high level of certainty. Clearly, the execution of the plants was flawed, although the concept appears to be reasonable and may have succeeded if proper experienced management were chosen.

TRADERS/EXPORTERS

a. Sources of Data

- Interviews with owners of fruit export businesses
- Site visit to the office of a fruit exporter in Jalalabad
- Interviews with key informants (DAIL and ACCI)
- Interviews with Roots Of Peace employees (former ASAP staff)
- ASAP reports
- ASAP evaluation report
- https://www.usaid.gov/results-data/success-stories/afghanistan-exports-first-apples-india

[82] DIRPA Final Report Page 13 and 17

Introduction to traders/exporters

This study included three companies that received support from ASAP (Afghan Dost Sharq, Takana Sefla Brothers, and Samsor Ban), plus the Parwan Raisin Producers Cooperative (PRPC), which received support from GDA.

The overall aim of the USAID assistance to traders was to support the export of Afghanistan high value Agricultural products by means of a variety of interventions.

REF: ASAP FINAL EVALUATION (2012) pg. 2: Export oriented traders were a major focal point of the ASAP project, engaging in missions to international fairs and markets. Of the total value in ASAP supported sales, half of the over $57m was in export products. Many of the 57 export and domestic traders working with ASAP, most of whom were already in the export business, appreciated the new focus on quality standards and emphasis on understanding the demand from overseas markets. These efforts by ASAP, however, were not institutionalized in any of the ministries or agencies that were only marginally involved in project activities.

REF: ASAP FINAL EVALUATION (2012) pg. 8: ASAP invested considerable project resources to develop the agriculture value chain. Activities to promote trade included post-harvest handling of produce through grading, handling, packaging, processing, and shipping. The project worked with 57 traders to improve their ability to compete in domestic and export markets with better quality products. Numerous trainings, workshops, and technical assistance support were provided to interested traders and businessmen (Over the life of the project, almost 20,000 MT of Afghan agriculture products were sold or exported, totaling over $57mUSD in value. Given the unreliability of export data for the country, the share of ASAP initiated exports, as a percentage of the total is difficult to measure. The available information from an ACE Trade Report and from the Central Statistic Office does not report comparable data with the exports supported by ASAP. Best estimates from interviews indicate that on an annual basis these might have amounted to between 5-10% of the total for similar products.

REF: ASAP FINAL EVALUATION (2012) pg. 7: Several key agriculture products were targeted by ASAP for potential export value, including pomegranates, apricots, apples, melons, and grapes. Considerable time, effort and project resources were spent in developing external markets and encouraging Afghan agribusinesses to learn about export potential and the upgrades necessary to compete in these markets.

USAID projects ASAP (2006-2011) and GDA (2008-2012) provided support to Afghan exporters in the following ways.

- **Product standards improvements**
  --**Standardized fruit export quality**
  Internationally accepted food safety and quality certification (FLOcert)
  Sorting, grading, packing
  --**Improved packaging** – subsidized packaging materials and trainings in packaging

- **Linkages**
  --**Introductions to export markets and international buyers**
  Subsidized participation in international trade fairs (trip expenses and exhibition booth fees)
- **Trade education**
  Training in the full trade cycle, international trade documentation, cold chain and use of importance of refrigeration containers
- **Export shipment support**

100% or 50% of export expenses paid for trial shipments
Freight charges, export license and other documentation, taxes

- **Trainings on Post-Harvest Technologies**

What difference did USAID's interventions make to traders/exporters?

Number of traders/exporters still in operation, and performance trends
Those traders best suited to take advantage of the opportunities created by USAID who received support reportedly benefited.

Afghan Dost Sharq (ASAP 2006-2011) - Successful
Takana Sefla Brothers (ASAP 2006-2011) - Successful
Parwan Raisin Producers Cooperative (PRPC) (GDA 2008-2012) - Failed

Influence of USAID's support on the capacity and ongoing operation of the supported businesses
Prior to USAID intervention, the Afghanistan traders exported fruit mainly to Pakistan and Iran and India, with the exception of apples. USAID interventions facilitated opening the door to additional markets such as India (apples), Central Asian and Gulf countries and now the most capable Afghan traders are working in these markets on their own without support and will continue to do so.

Afghan Dost Sharq (ASAP 2006-2011) - Successful
Takana Sefla Brothers (ASAP 2006-2011) - Successful
Parwan Raisin Producers Cooperative (PRPC) (GDA 2008-2012) – Failed

The influence of outside factors on agribusiness sustainability
The vicissitudes of the market dictate success or failure to a large degree.

Tariffs, border control policy, freight charges and the weather conditions affect the economics and logistics of many Afghanistan-origin agriculture product trade deals.

In particular, much of Afghan exports transit through Pakistan on their way to international markets. Regional Pakistan border control as well as central government policies often change and generally run counter to the interests of Afghan traders. The Uzbekistan border authorities have also not been friendly to Afghan traders.

e.g. Takana Sefla complained that the **Pakistani Customs authority raised the tariff duty** by approximately 100% from last year to this year on imported fruit from AF.

e.g. A PRPC raisin shipment was held in the Karachi, Pakistan port for two months, resulting in the spoilage of the shipment.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)
USAID assistance has led to the expansion of export business, leading to the hiring of additional employees.

REF: ASAP FINAL EVALUATION (2012) pg. 10: 34 traders that had received support from ASAP responded to several questions, one of which asked: The Number of employees after ASAP support? The summary response was that "The average number of new employees for each trader increased from 44 to about 53 employees". In total, the number of employees for all 34 traders in the survey jumped from 1,488 to 1,827 indicating that 340 new jobs were created through ASAP assistance to these agribusiness traders.

Afghan Dost Sharq (ASAP 2006-2011)

Before contact with ASAP had 20 employees. After contact with ASAP they hired an additional 180 people. ASAP has enabled export business to increase his profitability by 70%.[83]

Takana Sefla Brothers (ASAP 2006-2011)

Prior to ASAP contribution, the company had 15 Employees but now the company has 68 employees which 48 males, and 20 females.

Parwan Raisin Producers Cooperative (PRPC) (GDA 2008-2012)

0 employees.

Impacts on other businesses (e.g., suppliers)

Takana Sufla company is buying fruit from 138 farmers.
Dost Sharq company increase profitability by 70 percent greatly increasing the amount of fruit the purchase from Afghan farmers.
PRPC has no impact on other businesses.
USAID intervention increased export of fruit to regional countries and to European markets. Afghan fruit can fetch higher prices in international markets, which benefits Afghan farmers, logistic companies, brokers, and packaging factories and generates tax revenue for the Afghan government.

"I'm expecting to sell our apples at a good price in India," said Abdul Masood, a farmer who received training from USAID. "That, in turn, will encourage us to grow more apples, export them to India, and get more money, which can contribute to the local economy." [84]

Other multiplier effects to the economy

The improvements made in the international perception of quality and safety of Afghan-origin produce has resulted in a greater acceptance in foreign markets.

The subsidized trial exports have allowed Afghan traders the ability to penetrate foreign markets they otherwise would not have. This success has served to bolster the confidence of Afghan traders, encouraged others to follow suit and paved the way for the expansion of trade.

Negative impacts to local economies

No known negative impacts.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

The overall impact of USAID support to traders on women's empowerment is minimal, although some job opportunities have been made available to women. One exporter mentioned that during fruit harvesting time, he recruits women for packing, sorting and grading.

REF: ASAP FINAL EVALUATION (2012) pg. 10: In total, the number of employees for all 34 traders in the survey increased from 1,488 to 1,827 indicating that 340 new jobs were created through ASAP assistance to these agribusiness traders. Of this number, 43% are female and 57% male.

(COMMENT: It is hard to believe that 43% of the new trader jobs created are held by women. The field in dominated by men as all interviewees mentioned.)

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[83] Ibid 2
[84] USAID's website " Afghanistan exports first apples to India"; website <https://www.usaid.gov/results-data/success-stories/afghanistan-exports-first-apples-india>

What Aspects of USAID's support to traders/exporters were most successful, and under what conditions?

In many instances the below USAID interventions were very successful in assisting certain traders that had exhibited commercial acumen, were clever, experienced and successful in trade, energetic and motivated to succeed. There is a clear and direct correlation between those possessing the aforementioned qualities and the success rate of sustainable agribusiness traders/exporters.

REF: ASAP FINAL EVALUATION (2012): For the businesses supported by ASAP, interviews indicate that most are continuing to operate as export businesses, some are doing quite well in this new niche opened up through ASAP, and others seem to be waiting for additional support to get them through the value chain maze of export oriented trade mechanics. Almost universally, the traders were unwilling to provide data on sales, exports, and revenues. Those that express continuing problems with the export business mention quality problems, supply links to producers, transportation and documentation, packing shortfalls, and others.

USAID provided support to pre-exist and new established businesses. Those businesses that exist prior to USAID support lead to successful and sustainable business, e.g. Afghan Dost Sharq Company and Takana Sefla Brothers. The business that were newly established solely for receiving support from USAID's project and run their "business" for short time, rarely succeeded if ever, e.g. PRPC.

All of the below USAID interventions were cited as being valuable by those successful export traders we interviewed. Those who had the experience and capabilities to take advantage of the programs as intended benefitted.

- **Product standards improvements**
  --**Standardized fruit export quality**
  Internationally accepted food safety and quality certification (FLOcert)
  Sorting, grading, packing
  --**Improved packaging** – subsidized packaging materials and trainings in packaging

- **Linkages**
  --**Introductions to export markets and international buyers**
  Subsidized participation in international trade fairs (trip expenses and exhibition booth fees)

ASAP supported Afghan exporters' participated in the Dubai Gulfood exhibition and India International Trade Fair (IITF) for the first time. ASAP also supported the establishment of Ag-Fairs for the first time from 2007 to 2011 in Kabul, Kunduz, Herat, and Mazar –i- Sharif. These initiatives lead Afghan producers to introduce their products to Afghan and international participants.

- **Trade education**
  Training in the full trade cycle, international trade documentation, cold chain and use of importance of refrigeration containers

- **Export shipment support**
  100% or 50% of export expenses paid for trial shipments
  Freight charges, export license and other documentation, taxes

- **Trainings on Post-Harvest Technologies**

REF: ASAP FINAL EVALUATION (2012) pg. 16: ASAP conducted trainings on a variety of post harvest technologies that included over 3,200 individuals. The issue of post-harvest handling continues to plague the export of fruit from Afghanistan to regional buyers. Traders

interviewed have expressed their gratitude for ASAP pointing the way with this technology as they have seen the difference in acceptance of shipments to India and Dubai. There are still instances of exporters shipping lower quality products that are refused or paid for at a lower value, but the information and knowledge to avoid these issues is now available.

1. **What aspects of USAID's support to traders/exporters appear to have been least successful and/or what conditions appear to have been most challenging, and why?**

IP management and staff unsuitability: Project managers did not have appropriate experience or backgrounds to work in their positions. Some of the Americans were also not suited to work in AF, preferring to stay in their offices and not work with AF traders and farmers.

Trial export shipments only: The ASAP project only facilitated trail shipments and there was never a sufficient quantity and quality of produce to follow trial shipments with volume shipments.

Insufficient connection between production and export: More of an effort should have been made to link production to trade to insure market requirements reach farmers and farmers are trained in how best to meet those market requirements.

Alleged Fraud: The projects were not rigorous enough in checking the backgrounds, track records and abilities of many of the Afghan traders that requested assistance, particularly in the case of subsidized foreign travel, payment of Dubai office rent and subsidized exports, resulting in misplaced investments and in some cases outright fraud. IP expat management reportedly did not monitor local staff closely enough to prevent multiple free-riders from taking advantage of the largesse extended. There have been repeated alleged cases of one businessman having several "businesses" in the names of friends and family who received grants and other benefits from USAID programs only to disappear after the benefits were accrued. In the case of one trading company which received ASAP support, it is reported that the owner had three additional shell companies that received grants under the program.

One trader claimed that ASAP wasted millions by holding useless conferences in Dubai and by subsidizing many people who were not traders, but imposters looking to get a handout. He said he was surprised how this could go on repeatedly on a grand scale. To the degree that this took place, it was likely was known to both international and local staff, as it is not overly difficult to do some checking to verify that the people are, in fact, functioning traders. USAID also funded several AF traders' Dubai offices, which has led to fraud. Many of the so-called traders were not traders, but used the money to fund lavish holidays in Dubai (e.g."Hamid Zadah" was a gross violator.). The same trader advises that USAID or its agents should check the backgrounds of people to ensure they are who they claim to be and **"**use instinct to ferret out imposters."

Access to Finance:

Loan terms are too short – One entrepreneur would like to be able to get a **long term loan** from ADF vs. the current 1 year x 1 year x 1 year that he currently receives. A long-term loan would allow him to buy a small efficient cold storage unit, a sorting machine and a juice machine. If he were to receive this loan and purchase these items, he would not need to go through all the trouble of exporting.

Some traders/exporters want an **Agriculture Development Bank** extending low cost loans to be established. They complained about high interest rates charged by MFIs, difficult requirements in dealing with ADF and lack of Sharia compliant loan products.

Broken promises: One trader laments that he was promised 2 machines and also secured a verbal promise that the ASAP project would connect him with international buyers. None of these promises materialized.

Insufficient grape trellising projects: There is a need for **more grape trellising projects**, which would support more profitable grape exports.

Overly large project (ASAP) poorly conceived with a confusing and frequently changing strategy: ASAP reportedly went through a few strategy shifts and frequent delays along the way and the activities were not always well coordinated.

FRUIT TREE NURSERIES

Sources of Data

- Interview with the owner of fruit tree nurseries
- Site visits to fruit tree nurseries
- Interview with key informants(e.g. DAIL)
- Project reports
- Project evaluation

Introduction to fruit tree nurseries

The lack of commercial fruit tree nurseries in Afghanistan leaves fruit producers with little choice in terms of the rootstock they can purchase. Rootstocks have the effects: that for example the scion wood will be more fertile, and be two years earlier, in production, or reduce the height of the tree to make harvest easier, or makes the crop more uniform so that harvest can be done more efficiently. The fruit industry in Afghanistan must receive attention to solve some problems like poor varieties, seedling rootstocks, diseases, and pests.

For the last seven years, the fruit tree nursery industry of Afghanistan has received significant support as a key element in improving the perennial horticulture industry. The Afghanistan National Nursery Growers Association (ANNGO) was established in 2008 for nursery industry development, and has provided technical support to local nursery growers' associations (NGAs) in country. In order to develop a reliable fruit tree supply sector, fruit tree nursery growers have been organized in NGAs and registered as a member of the ANNGO.

In early 2012, IDEA-NEW began working with fruit tree nurseries and NGAs to improve their capacity to provide future orchards with high-quality saplings, as well as provided pre-planting training, layout design, and planting services, all of which play a critical role in establishing a viable orchard.

Through ADP/E support, a total of 226 fruit tree nurseries of different crops such as citrus, apricot, and plum were established in three provinces (Nangarhar, Laghman and Kunar) of the eastern region by local nursery growers. IDEA-NEW provided technical support and training to improve the saplings, in order to provide standard and quality saplings to the orchards growers. The fruit tree nurseries owners received citrus rootstock seedlings, seeds, shade net, budding knives, plastic bags, wheel barrows, generators, pruning shears, and fertilizer from ADP/E. The rootstocks for citrus are rough lemon, which has good resistance to Citrus Tristeza Virus (CTV). Initially, the owner of nursery received 3,000 rough lemon rootstock, stone fruits seed, and tools from IDEA-NEW.

During the mission to Nangarhar province, three fruit tree nurseries were visited in Behsud district. The citrus budded saplings, ornamental plants, and forest seedlings of the fruit tree nurseries were healthy, showed good growth, and were ready for transplanting in the next season. Overall, management of the three fruit tree nurseries was good. The nurseries mainly had citrus budded saplings, as well as ornamental plants, forest seedlings, and a little bit of stone fruits saplings. The nurseries owners are the members of the NNGA, so they produced certified budded saplings of fruit trees.

What difference did USAID's interventions make to fruit tree nurseries?

Number of fruit tree nurseries still in operation and performance trends

IDEA-NEW provided support to 45 local private nurseries and helped them improve their production and marketing to NGOs and the private sector in the region. The nurseries received improved citrus rootstocks, tools, and trainings on good nursery agricultural management and marketing.

The three fruit tree nurseries visited were active, well-managed, and producing certified budded saplings. At the moment, the NNGA has 27 members. Out of these nursery growers, three were supported by IDEA NEW.. Also, , two of them are managed by women.

IDEA-NEW supports 68 women-run tree nurseries (38 in one location) that sell forest and fruit trees to private clients, NGOs, and USAID projects in the eastern region. But unfortunately, after IDEA-NEW ended, the home-based nurseries stopped operating as well.

Figure 1: Latif and Hayatullah's fruit tree nurseries

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

USAID support to fruit tree nurseries in the form of capacity building, planting materials, and tools had a good impact on the operation of the nurseries' management and production. The budded saplings of the fruit tree nurseries were healthy, showed good growth, and were ready for transplanting in the next season. Overall, management of the three nurseries was good. IDEA-NEW provided technical support to fruit tree nurseries owners in nursery management, budding, grafting, transplanting, and marketing.

The influence of outside factors on agribusiness sustainability

The import of budded saplings of fruit trees and ornamental plants from Pakistan had a negative influence on fruit tree and ornamental plants nurseries in the eastern region.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

The fruit tree nurseries business are doing well and making good profit from selling budded saplings, ornamental plants, and forest seedlings. Therefore, the business improved the livelihoods of the owners and indirectly through the planting of certified budded saplings in the orchards improved the local economy as well.

All the citrus seedlings were budded /grafted with market-oriented varieties of citrus. The owner of the nurseries is the member Nangarhar Nursery Growers Association. As the owner of nurseries

mentioned, they are making good profit from the nurseries business. The nursery owners mentioned that business is good, but compared to last three years, there is less market for planting materials. This is because in the past a lot of NGOs bought the budded saplings and ornamental plants, but now they are just selling in the open market. The nursery is contributing to the establishment of new orchards with market-oriented varieties, which will increase fruit production and have a good impact on the livelihoods of the orchard owners.

Employment generated by the supported businesses (and attributable to USAID support)
Three fruit tree nurseries created jobs for 15 people.

Impacts on other businesses (e.g., suppliers)
For running of the nurseries business, there is a need for planting materials such as seeds, cuttings, rootstocks, tools, fertilizers, etc.

Other multiplier effects to the economy
Through the establishment of high-quality and productive orchards, the local economy of fruit growers is improved.

Negative impacts to local economies
Low-quality and not market-oriented varieties production through fruit tree nurseries will have negative impact on the local economy.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

The fruit tree nurseries are in an open area so the women are not able to work in the nurseries. But indirectly, women can benefit from the business at different value chain steps in the fruit business.

1. **What Aspects of USAID's support to fruit tree nursery were most successful, and under what conditions?**

The nurseries owners reported that the support was effective because they received good seeds for citrus rootstocks, tools, and knowledge of nursery management. The three fruit tree nurseries are able to produce quality budded saplings and ornamental plants. The nurseries are making good profit and produce quality planting materials for local and regional markets.

2. **What aspects of USAID's support to fruit tree nurseries appear to have been least successful and/or what conditions appear to have been most challenging, and why?**

All the support provided by ADP/E and IDEA-NEW to the nurseries owners was useful. The nurseries owners mentioned that for the citrus seedling production, the shade net is necessary, but mother stock plant for production of rootstocks and scion wood production is.
The table below shows that the profitability, economic impact, and effectiveness of the fruit tree nurseries businesses were good, most with a high level ofcertainty.

Table-1: Certainty level of fruit tree nurseries business operation and profitability

Orchard Owner	Hayatullah	Latif
Size	Micro	Micro
Region	Eastern	Eastern
Profit/ Certainty	3/ High	5/ High
Operation/ Certainty	4/ Medium	4/ High
Economy/ Certainty	4/ High	3/ High
Women Certainty	2/ Medium	2/ Medium
Effect/ Certainty	4/ High	4/ High

Scale:
1= Failed

2= Weak
3= Ok
4= Good
5= Excellent

FARM SERVICE CENTERS

Sources of Data

- Phone interviews with three FSCs (Helmand, Kapisa and Zabul)
- Emailed response to survey from one FSC (Kunar)
- Visits to two FSCs (the woman's FSC in Kabul and the woman's FSC in Parwan)
- In-person interview with two FSC owners (Laghman and Wardak)
- Visit and interview with FSCAA representatives
- Interviews with former CNFA/AFSA staff
- Project documentation
- Midterm evaluation (final evaluation was not available)
- Relevant comments from other key informants (MAIL, ACCI, etc.)

Introduction to Farm Service Centres

Farm Service Centers are 'one stop shops' providing high quality inputs and services (such as land leveling and some extension) to farmers.

Nine of the 18 FSCs have been included in this study (as outlined in the 'data sources' section above, plus the Mazar women's FSC, included based on key informant interviews). All the FSCs were established by the AFSA project, implemented by CNFA, between March 2008 and June 2012. This project was unusual in that it had almost an entirely Afghan staff from the midpoint on (with the exception of a communications person). It was focused exclusively on setting up and sustaining a national network of Farm Service Centers – one in each province.

As the creation of the FSCs overlapped with ASAP's development of an extensive agdepot network, the two were conceived by the project implementers as being complementary: FSCs were fewer, located mainly in provincial centers, whereas agdepots were located within each district and tended to be smaller. As such, the project implementers conceived that the agdepots could be served by the FSCs. In practice, there is not much evidence that this happened, and other implementing staff (including Durukshan Association, which was the main sub-implementer of the agdepots) were unable to make this distinction, and saw FSCs and agdepots as essentially the same. Nonetheless, one important difference is that FSCs received more support (in terms of technical support and in-kind grants) than the agdepots did.

How were people selected to start FSCs?
A former CNFA staff member explained that the selection process for FSCs took place via calls for applications followed by a selection process via committee. Contracts to FSC owners were awarded in two separate phases. The midterm evaluation quotes Khabir Kakar, the CoP of AFSA, as stating "In the creation of a Farm Service Center, the primary transformation occurs from changing an existing small store that only provides one or two inputs into a one-stop shop which offers an array of certified agricultural inputs." However, many of those selected were already large, well established agricultural businesses. On the other hand, two of the women selected were reported (by members of FSCAA) to have no background in agriculture.

A former staff member recalls that there were a mix of large and small-to-medium business owners selected, and in his view, it was the latter that gained the most from the project support.

What did the FSCs do?

Farm Service Centers were designed to be larger than a typical input supply shop, with a broader array of goods and services, at higher quality. This included rental of farm machinery, such as tractors and threshers, and provision of extension advice and training.

What sort of support did AFSA give to the FSCs?
AFSA gave business and accounting training to FSC owners. It also provided them with training on safe use of pesticides and other agriculture-related training. In some cases (especially with the women's FSCs), it then hired FSC owners to give training to farmers.

AFSA provided a range of equipment to the FSCs, including tractors, threshers, and reapers. The FSCs could then rent this equipment out to the farmers.

Some FSCs were also provided with furniture and office equipment. For the Kabul WFSC, a showroom and several greenhouses were built and donated by AFSA.

Finally, AFSA created and provided technical assistance to the Farm Service Center Alliance of Afghanistan (FSCAA), a membership association that was intended to help the FSCs work together.

What difference did USAID's interventions make to the Farm Service Centres?

Number of FSCs still in operation, and performance trends
By the close of the project, 18 FSCs had been established, three of which were run by women.

At the time of this study, most of the FSCs are reported to still be in operation according to FSCAA, with the exception of two women's FSCs (in Kabul and Mazar). The women's FSC in Parwan is running nominally. The owner of the Logar FSC (who is also the manager of Helal Group of Companies) claims to have closed down his FSC due to some direct security threats and lack of clientele, and is rather selling Helal products through other outlets within Logar. He had received a direct threat from the Taliban which prompted him to close the store, but had already observed that the overhead costs of the FSC made its operation uneconomical, whereas he now sells his company's products through other, presumably smaller, retailers. Thus, to our knowledge, 15 of the original 18 FSCs are currently running, although at least one of these (the Parwan WFSC) is no longer running as an input supplier.

FSCs tend to be slightly larger than the average agdepot. Several FSC owners are also operating other businesses, including in Kapisa, where the owner is also running a soya bean processing plant (with a total of 114 employees), and in Wardak, where the FSC is part of a larger company called Samsor Ban that is involved through the value chain (primarily for fruits) and is also involved in trading.[85]

Of the FSCs included in the study, about half had expanded operations since they received support, and the others had reduced or ceased operations. Other than the women's FSCs (which are discussed separately below), the businesses that had reduced operations reported that they had done so because of a combination of economic constraints and security concerns. The FSCs reported securing their inputs largely through the open market.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses
With the exception of the women's FSCs, all the FSCs were built on existing businesses. In some cases, the businesses were already large and profitable. Thus, the continued existence of the FSCs cannot be assumed to be due to AFSA.

[85] Samsor Ban had also received support from ASAP for exporting fruits.

Several key informants noted that a major flaw of AFSA's reporting is that it systematically overstated its impacts. Despite the fact most FSCs were existing businesses, it optimistically attributed all business activities associated with the FSCs to its efforts. Thus, in its final report, it was able to claim it had far exceeded all of its targets, and had leveraged $49 million in sales through the FSCs via a total of $1.1 million in grants. This claim is highly questionable, even according to AFSA's own former staff members. For example, the midterm evaluation noted, Ghazni FSC accounted for over half of reported sales at that time (then totaling $31.9 million).[86] This is because the owner of the Ghazni FSC also had several large contracts to supply projects with fertilizer from his warehouse in Kabul. There is no reason to attribute these sales to the AFSA intervention.

Nonetheless, the four FSC owners we spoke with whose FSCs were still operational reported that the support was useful and helped them to expand their businesses and the services they offered.

FSCAA no longer collects figures on FSC operations, so it is hard to quantify benefits. One service line that AFSA introduced was equipment rental, largely by providing grants of farm machinery to the FSCs. In the midterm evaluation of 2011, equipment rental generated the least sales, at $253,000, or 0.8% of the total. As of October 2015, respondents from the FSCs reported still renting out equipment and finding this useful. The owner of the Wardak FSC said that the wheat reapers in particular were in high demand in his area.

The Farm Service Center Association of Afghanistan (FSCAA) was created by AFSA as a membership association for the FSCs, which would set standards for the stores and allow them to jointly link with public and private sector organizations, as well as to take on tasks of collective benefit, such as marketing and branding of the FSCs. This was planned as an important component for both the sustainability and value-addition of the FSCs. At the time of this study, the FSCAA had not managed to fulfill this role, although it was still in existence and had hopes of recreating itself, primarily through partnership with a Swiss company called Nomades, which focuses on developing agribusiness opportunities in fragile states.

Particularly, FSC owners reported procuring their inputs through the open market, meaning that the FSCAA was not able to play its intended role either in terms of quality control or in terms of negotiating preferential rates on input supplies. However, a number of FSC owners are still actively engaged in the board, and the Afghan representative of Nomades is the Deputy Director of FSCAA. A number of other input companies are reportedly members of FSCAA, and so it has had some role in networking these businesses together. Their goal is to set up contract farming arrangements through the FSCs. So far, this is largely an unrealized idea.

The influence of outside factors on agribusiness sustainability

FSCs report facing challenges due to security, the poor economic situation facing farmers, the black market in agricultural inputs, lack of access to standardized equipment and inputs, and lack of government support of the agricultural sector.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

The overall goal of AFSA was "increasing the incomes of farmers in Afghanistan through the support and development of a robust input supply network". Thus, the main intended economic benefit of the project was to the customers of the FSCs, some of whom are highlighted in the various AFSA reports. The final AFSA report also states the intention that the FSCs will help to link farmers with markets for their products. (p2)

[86] P.7 AFSA Midterm Evaluation

Employment generated by the supported businesses (and attributable to USAID support)

Our sample included a disproportionate number of FSCs that failed (due largely to focusing on women's FSCs). Of the nine FSCs in our sample, 3 had stopped operations, 2 had reduced operations and laid off staff, and the others had increased operations, in part due to AFSA support. In the case of the Kapisa FSC, the owner also operates a soya bean processing factory and employs 114 staff, largely because of the factory. Anecdotally, most of the remaining FSCs were performing well and maintained or increased their number of employees.

Impacts on other businesses

Most FSCs are still acquiring their inputs independently, on the open market. Nomades is a supporting member of the FSCAA and provides high quality inputs, but the prices are also higher, and FSCs, and their clients, have a limited capacity to afford them. Thus, to-date, the idea that the FSCs can collectively source high-quality inputs is still largely unrealized, although not yet abandoned.

The owner of the Wardak FSC mentioned that he has links with the Kapisa FSC and the Logar FSC. He and the owner of the Kapisa FSC are in the process of establishing a nursery business, sourcing planting materials from Turkey.

Other multiplier effects to the economy

Many of the FSC business owners appear to have been quite entrepreneurial, maintaining their FSCs and in some cases, adding on additional services: such as the cases of the Kapisa and Wardak FSCs mentioned above. While the owners mention the economic situation is difficult and that FSCAA is not fully active, they are still managing to use it to network, with the potential of leveraging other projects.

Nomades and the Wardak FSC (which is run under the banner of the 'Samsor Ban' company) are interested in linking up with other FSCs to engage in contract farming. While they have already encountered obstacles to this endeavour – namely, that it is very difficult to get smallholder farmers to produce to uniform standards – if they succeed, this could have many multiplier effects, and provide an effective means for farmers to gain inputs, credit and a ready market. At this stage, it is hard to say what the chances are that they would achieve this, and they are seeking further external support.

Negative impacts to local economies

As with the agdepots, the FSCs create some risks due to selling agricultural inputs that are not properly regulated and tested. In general, it appears that FSCs are operating at a higher capacity, with more technically competent staff, so the overall risk may be lower. However, FSC owners acknowledge that securing quality inputs remains as a risk.

FSCAA has good quality soil testing equipment at its headquarters in Kabul (donated by Nomades). This allows them to identify what nutrients the soil is lacking and what fertilizers or other treatments should be applied, and to what degree. However, its representatives say they are not authorized to use it by MAIL. If an agreement could be negotiated between FSCAA and MAIL, it could potentially help to address some of the quality issues by providing testing services, and potentially by creating a trusted brand of quality agrochemical supplies. This is their current ambition, but the difficulty is making a business case for it when farmers' purchasing power is low and their willingness to pay a premium for quality appears limited.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

AFSA set up three women's FSCs, the first one was in Kabul, set up during the first phase of the project. The second and third, in Parwan and Mazar, were both set up near the end of the project and were not well established by the project closure. At the time of this study, the Kabul and Mazar ones were entirely non-functional, and the Parwan FSC was operating primarily as a store selling products by local women, no longer supplying inputs. In addition, the women operating the Parwan women's

FSC were acting as middlemen and processors for a variety of fruit, vegetable and dairy products created by local women.

When the women's FSCs in Kabul and Mazar began, there were opening ceremonies with important Afghan and American officials present. The then-US ambassador to Afghanistan, Karl Eikenbury, and the then-Minister of Agriculture, Asif Rahimi were both present at the opening for the Kabul FSC. These centers received more publicity than the other FSCs, but did not appear to be grounded in a viable business model.

Part of the reason that the women's FSCs were given such a high profile was because they were unusual. As CNFA's website explained, "These women-operated FSCs deliver services to female farmers in Kabul and neighboring provinces, where the social convention has long prevented women from purchasing farm inputs and receiving extension services." However, it does not appear that a feasibility assessment or market analysis was ever conducted, and so the establishment of these women's centers was never grounded in a realistic plan. One major challenge, according to a former CNFA staff, was finding suitable land on which to place the women's FSCs, as very few women own land.

For the Kabul WFSC, the former owner/manager was not available to speak with, but the study team did speak with the manager of the Helal Group of Companies, which hosted and owned the WFSC.[87] He described the manager of the WFSC as hardworking and organized, but unable to get and maintain enough clientele.[88] During the course of the project, the WFSC was kept busy and with sufficient income due to training courses that were conducted on behalf of the project. In other words, the project was the major client of the WFSC.

The situation was the same for the Parwan WFSC: they were engaged with training during the course of the project, and after the project they moved towards simple processing and sales, largely abandoning the sales of inputs.

We can conclude that AFSA made little difference to women's access to and participation in agricultural value chains, other than the short-term trainings offered during the project.

The lesson here seems to mirror what was found in other projects: interventions work best by building on what is already there. In the absence of any pre-existing market amongst women for agricultural inputs, careful research would be required to develop a plausible business plan.

What Aspects of USAID's support to FSCs were most successful, and under what conditions?

The majority of FSCs are still operational, and some have expanded operations and added other aspects to their businesses. AFSA cannot take full credit for such success, and it is difficult to definitively say what AFSA's support contributed. However, what we can say – importantly – is that AFSA was able to select some successful businesses with dynamic managers – and that these

[87] The precise relationship between Helal Group of Companies and the Kabul Women's FSC was presented in a contradictory manner. The manager of Helal Group claimed the women owned the WFSC and he was acting as a landlord. However, according to evidence from the midterm evaluation, and to AFSA's final report, Helal Group owned the Kabul WFSC.

[88] His explanation for this failure was that it was too difficult for the women running the FSC to do the necessary outreach and extension in the field, due to the cultural prohibitions faced by women travelling. This does not entirely line up with what the women at the Parwan FSC reported, which is that they regularly travel to collect produce from women, and to see potential buyers. Rather there does not seem to be a viable market amongst women for these inputs, perhaps due to the pricing.

managers, in turn, were able to leverage the support provided by AFSA and use it to expand and enhance their existing operations.

AFSA's success in selecting such leaders can be attributed to its selection process, including a call for applications and a selection committee. The success of some FSCs was due not just to the fact that the selected owner was most often already a successful businessman, but also that the person was genuinely committed to the purpose of the FSCs. In the few counterexamples, and based on input from KIs, it appears that when this was not the case, the owner was using the FSC as a means of getting 'free support' and had little commitment to continuing it beyond the project duration.

The clear focus of AFSA and the fact that there were fewer FSCs seems to have meant that, in comparison to the agdepots, FSCs received more training and in-kind grants and were generally more successful. This claim is made on partial and somewhat anecdotal evidence.

Finally, while the FSCAA itself was not fully a success, it is still in existence, and has allowed some active FSC owners to connect and collaborate with each other.

What aspects of USAID's support to FSCs appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The most obvious shortfall in AFSA's work is with the women's FSCs, none of which survived for long beyond the project period. As already described above, it appears that there was never a viable business case for these, and so they served largely as an obligatory deliverable to meet gender requirements.

The second shortfall is the FSCAA, whose current leaders claim it is barely functional, due to lack of income. FSCs do not pay membership dues, as there is no obvious benefit for them to do so, and the FSCAA has survived largely through the financial support of the Nomades company. In general, associations created by projects do not seem to have performed well independently, without being subsidized by donor funds. The solution for this is not clear, unless the FSCAA does manage to transform itself into a sort of intermediary company, helping to set up and sustain a contract arrangement with farmers via the FSCs. The viability of this idea is not clear, and the FSCAA hopes for funding to help realize it. Such an investment would be inadvisable without a clear business case, and clear commitment from a critical mass of FSCs.

Another challenge evident in the result of AFSA's work mirrors that of ASAP's experience with the Durukshan Association/Noor Brothers. The Helal Group of Companies, a seed and agrochemical input provider operating mainly in the east of the country, appears to have benefitted unduly from this project, causing some distrust from other FSCAA members. The FSCAA eventually ejected the Helal Group from the association, claiming they had been dishonest. One key informant claimed they had managed to get the project to pay the lease of their Kabul office for the duration of the project. These claims hold some credibility, as the study team found Helal Group had ownership of the Kabul WFSC, the Laghman FSC, and the Kunar FSC, the former two which are now closed, and was not forthcoming about this during our interview. As with ASAP's experience, the lesson appears to be that there must be many checks and balances on all parties' involvement, and a recognition that grant-giving projects can attract the wrong sorts of motivations.

Finally, the relatively short project duration appears to have been a constraint, especially in combination with the weakness of the FSCAA to provide ongoing support. For some reason, several FSCs were only implemented near the very close of the project, and so did not get full follow-up support. For the two women FSCs in the second phase, it is not clear if more time would have made a difference to sustainability or not.

GREENHOUSES

Sources of Data

- Interview with the owner of greenhouses
- Site visits to greenhouses
- Interview with key informants(DAIL)
- Project reports
- Project evaluation

1. Introduction to the greenhouse

Greenhouses provide income to farmers during the winter months when they normally cannot grow crops and therefore have no income at all. In addition, the greenhouses can be used for flowers, ornamental plants, and citrus rootstock production. The ADP/E, ASAP, and IDEA NEW projects built greenhouses for vegetables and citrus rootstocks production in eastern region of Afghanistan and Parwan. The ADP/E built five greenhouses in Laghman, five in Kunar, and eight in Nangarhar for women. These women-owned enterprises are linked to ADP/E's commercial vegetable production programs, which involve over 22,000 vegetable producers in Nangarhar, Kunar, and Laghman. The women-owned greenhouses produce plug seedlings of high-value vegetables.

During the field trip to Nangarhar, one of the women-owned greenhouses which were located in Behsud district was visited. ADP/E established a greenhouse for women on the land of an orchard owner by the name of Haji Muslim. Eight women worked in the greenhouse, producing vegetable seedlings for spring and autumn planting seasons. ADP/E purchased seedlings for their vegetable production program in eastern region. After one year, when the project support ended, the greenhouse activities stopped as well. The business is inactive, and the greenhouse is no longer being used or maintained;just the frame of the greenhouse remains standing.

Three women's greenhouses were built by ASAP on DAIL land in Parwan province. They were not used, and were later rehabilitated by AFSA. However, during our site visit, we found that one greenhouse was no longer there, one looked like it had never been finished, and the other was abandoned and full of weeds.

Five greenhouses are established for citrus rootstocks, off-season vegetables, and flower production in Jalalabad city. The greenhouses are active and well-managed. Currently, the owner has 20 greenhouses for the mentioned activities. Out of 20 greenhouses, ten greenhouses were support by CARD-F.

What difference did USAID's interventions make to greenhouses?

Number of greenhouse still in operation, and performance trends

Out of nine greenhouses, five of greenhouses that belong to the Hamesha Bahar Agro Services, Landscape, and Construction Company are operating and producing citrus rootstocks, flowers, and off-season vegetables such as cucumber and tomatoes. The overall operation of the greenhouses was excellent. Management is effective, the owner and staff are qualified, and they are producing good-quality products (mainly flowers), which they supply to different provinces across the country. Although the greenhouses are loosely affiliated with the Parwan WFSC, no one really has ownership of them. It does not appear than they were ever properly used or managed. The women's greenhouse on Haji Muslim's land is no longer being used or maintained; just the frame of the greenhouse remains standing.

Figure 5: Hamesha Bahar Ag. Service Comp. greenhouse on Jalalabad

Figure 6: Women-owned greenhouses in Behsud district, Nangarhar

Figure 7: Women-owned greenhouses in Parwan

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

The support that provided by IDEA-NEW for five greenhouses increased knowledge, capacity, and improved the operation of the business. But the support of ADP/E and ASAP for the building of greenhouses for women in Nangarhar and Parwan provinces did not improve the ability of owners to run the business.

The influence of outside factors on agribusiness sustainability

Due to cultural sensitivities, women are not able to run the greenhouses in open area. On other hand, a lack of knowledge and skills were other factors that made the business unsuccessful.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)
The greenhouses built by ADP/E for women are inactive and therefore making no contribution to the local economy. The contribution of greenhouses runby Hamesha Bahar Agro Services Co. to the local economy is good: the business provides 18 jobs, business for input suppliers, and good-quality planting materials for farmers. As the women-owned greenhouses in Parwan have never been used, they have made no contribution to the local economy (save perhaps creating work temporarily during their construction).

Impacts on other businesses (e.g., suppliers)
The five greenhouses built by IDEA-NEW will buy planting materials and tools from AgDepots and packaging companies.

Other multiplier effects to the economy
N/A

Negative impacts to local economies
The greenhouses do not have any negative impact on the local economy.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Although the greenhouses in Parwan were designated for use by women, they were never used by anyone, to the best of our knowledge. Also, the greenhouse on Haji Muslim's land is inactive; the contribution to women's engagement is zero. The greenhouses run by by Hamesha Bahar Ag. Services do not have any women's involvement because of cultural sensitivities, insecurity, and the location of the business (far away from the city). The only possible benefits to women would be indirect.

2. What aspects of USAID's support to greenhouse were most successful, and under what conditions?

IDEA-NEW provided five greenhouses for Hamesha Bahar Ag. Services Co. and training on greenhouse management. The owner has been able to use all of the support effectively, and at the moment the business is running very well. Generally, the greenhouses are successful and profitable with professional people. Based on the site visits, 56% of the greenhouses are successful and profitable.

Although ASAP involved DAIL and built the greenhouses on DAIL-owned land in Parwan, there is no evidence that any effective ownership/management structure for the women's greenhouses was put in place. AFSA tried to rectify this by making the greenhouses part of the women's Farm Service Center, but this also seems to have been poorly planned, with no viability assessment, and to have essentially failed from the get-go.

ADP/E provided good support to women's greenhouse in Behsud district of Nangarhar province, but due to mismanagement, lack of knowledge on greenhouse management practices, and a lack of professionalism, the support was ineffective.

3. What aspects of USAID's support to greenhouse appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The technical support and selection of the skills and professional beneficiaries for the agribusiness were the most challenging aspects of the business.

Table-1: Certainty level of greenhouses business operation and profitability
The Table1 shows that the profitability, economic impact, women's engagement and effectiveness of the greenhouse businesses were very weak with high level of certainty for the Haji Muslim's and women-owned greenhouses in Parwan. But, the greenhouse profitability, economic impact, and effectiveness of the Hamesha Bahar's greenhouses are good with a high-level of certainty.

Greenhouse(s)	Hamesha Bahar	Haji Muslim	Parwan
Size	Small	Micro	Small
Region	Eastern	Eastern	Central
Profit/ Certainty	5/ High	1/ High	1/ High
Operation/ Certainty	5/ High	1/ High	1/ High
Economy/ Certainty	4/ Medium	1/ High	1/ High
Women/ Certainty	1/ High	1/ High	1/ High
Effect/ Certainty	5/ High	2/ Medium	1/ High

Scale:
1= Failed
2= Weak
3= Ok
4= Good
5= Excellent

POULTRY FARMS

a. Sources of Data

- Interviews with owners and managers of 3 poultry farms
- Site visits to 2 commercial poultry operations
- Interviews with key informants (ACCI, AISA, MAIL/DAIL)
- Interviews with relevant IPs (former ASAP, IDEA-NEW, ADP-E staff and other well informed international development professionals)
- Interview with management of competing businesses
- Project reports
- Project evaluations
- Various online sources
- Phone interview of Helmand Poultry Farm

1. Introduction to the Poultry Farms

Poultry and poultry products are in high demand in Afghanistan. Most chickens and eggs are imported yet supply is still insufficient to meet consumer demand, hence an increase in investments in poultry farms.

According to analysis carried out by the AKDF in 2005, there was a lack of parent stock farms and hatching units; outdated rearing practices; a need for trained poultry farmers; and a shortage of balanced feed, which is indispensable for commercial scale poultry farming to increase egg production and chick growth. Since that time, strides have been made although many of the same problems still exist.

REF: www.tkg.af The poultry industry has boomed in many parts of the country due to private investments and some smaller government programs for at-risk families. "Over the past one decade significant progress has taken place in the poultry industry and now some local farm owners can be

described as mass-producers since they offer 2,000-3,000 chickens to the market every week." (Some of them producing up to 100,000 chickens daily. REF: www.Pajhwok.com)

REF: www.thepoultrysite.com Despite increases in domestic production, poultry imports are expected to continue on the upward trend in 2013 and 2014 since domestic poultry production does not meet rising demand. According to exporter data, poultry imports are estimated at a total of 37,499MT in 2012. The United States remains the largest supplier.

ADP/E and IDEA NEW Research:

There are about 1000-1500 broiler poultry farms in Eastern Region having from 1000-1500 broiler birds in each farm. The daily market size of broiler poultry is 100,000 broiler birds in Eastern Provinces. Day old chicks are coming from Pakistan, there are 3 poultry hatcheries in Nangarhar to produce day old chicks, but there are not enough broiler breeder farms to supply required eggs to the hatcheries in Nangarhar for hatching purposes, this is why farmers bring day old chicks from Pakistan rear them in their farms for 35 to 45 days and then sell them in local markets.

Poultry Farms:

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)
Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
Mutahid Shamal Sharq Poultry Company (No USAID support)

How many have we included in our study? **3**
Which of the 3 USAID projects supported these businesses, and what did they do?
Explain the interventions a bit

Poultry Farms:

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)

USAID launched the Helmand Poultry Project in December 2007 under its Alternative Development Program – Southern Region (ADP-S). USAID rehabilitated government-owned facilities at the Bolan Poultry Farm in Lashkar Gah and established an integrated breeder flock, hatchery, and feed mill operation. ASAP final report; Page 36 and 37
Transitioned the Bolan Poultry Farm to a private company by name of Helmand Ihsan Poultry Co (HIPC) and signed a five-year lease in May 2011 that allowed HIPC to use the land on which the farm is located. ASAP final report; Page 36 and 37

This start-up operation which received the following ADP-S/USAID support:

-Received 20,000 chicks
-Subsidies for breeder flocks, hatchery and feed mill
-Assistance in producing a business plan and a marketing strategy
-Technology transfer - updated the capacity and technology level of the equipment
-Integrated breeder flock
-Hatchery
-Feed mill operation

REF: ASAP FINAL EVALUATION (2012) pg. 20. ASAP provided technical and operational funds support to the farm from February 2011- May 2011, in form of obtaining:

- A **land lease agreement** from Afghan government through Afghan Land Agency (ALA), an Afghan Government office dealing with land lease titles for transferring government held lands to private enterprise units for operating private business ventures, and

- **Registration of the poultry farm business** as a private enterprise with the Afghan Investment Support Agency (ASIA) According to Dr. Ihsanullah, CEO of Helmand Ihsan Poultry farm, ASAP support for these actions was critical to the successful launching of his business venture in May 2011.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)

- Received a few short trainings in poultry farm management from IDEA-NEW, ADP-E, AREDP/MRRD, ALO/E, FAO and a Norwegian entity.
- ASMED supported the company with two machines: a "feeder" and a "drinker".
- Additionally, ADP/E directly supported the strengthening of the *Nangarhar Poultry Association*. Association members' numbers increased from 180 to 240 during the project.

Mutahid Shamal Sharq Poultry Company (No USAID support)

- They did not get any support from USAID projects, but CARD-F provided them with hatchery machinery.

What difference did USAID's interventions make to Poultry Farms?

Number of Poultry Farms still in operation, and performance trends

We found that USAID interventions in the poultry sector can best be characterized as having **mixed results.** Due to the lack of monitoring information available and the fact that many poultry projects supported by USAID also received assistance from many other donors, it is difficult to know the exact impact of USAID investments toward insuring self-sustainability. The demand for poultry products, chicken meat and eggs has steadily risen and much investment funding, both private sector and development assistance, have flown into this high-risk sector. We can say that if the project was conceived correctly, is based in the right location and the right management put in place, the likelihood of success increases markedly.

Management ability – both in managing their companies to earn profits and in managing the USAID project which provided them assistance were, as often is the case, key indicators in determining level of success. Due to the many competing Afghan companies vying for donor support, those able to successfully navigate the application process and receive fully granted or subsidized support were at a distinct advantage to their competition who were unable to do so. In most cases, the more support received, the greater the chance of self-sustainability, especially in the case where there is competent poultry farm management in place.

Poultry farm commercial results are largely dependent on the experience, abilities and track record of the manager of the company prior to receiving the assistance. When the manager had proven abilities and a successful record of achievement in the same or a related discipline of business that was to receive assistance, the likelihood of success greatly increased. When the opposite was the case, the likelihood of a business failure increased.

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)

Start-up operations are also viable if the right conditions exist, as is the case of Helmand Ihsan Poultry Project. Poor project economics can be overcome if the right comprehensive assistance is rendered in the early stages, e.g. granting of land, provision of chicks, machinery grant, feed mill operation, trainings in poultry farm management and means of increasing survivability of chicks.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)

The company is also a start-up operation that received funds from many donors. The manager has technical expertise in the field and it has served the successful operation well.

Mutahid Shamal Sharq Poultry Company (No USAID support)

This company is also successful and has built its business without USAID support.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)
USAID funds have had a significant impact on the capacity and ongoing operations of HIPC
HIPC is a start-up poultry farm created with USAID support, therefore its current self-sustainability is directly and wholly attributed to USAID donor funds and technical assistance.
They have improved production output and increased sales by 100% in recent years,
producing 200MT/mo. animal feed and thus avoiding costly imports.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
The company is operating successfully, but it is difficult to credit that success to USAID support due to multiple donors over the course of several years.

Mutahid Shamal Sharq Poultry Company (No USAID support)
n/a

The influence of outside factors on agribusiness sustainability

- REF: www.thepoultrysite.com; The Afghan poultry industry is limited by the country's poor infrastructure and expensive operating costs due to a lack of competitive feed and poultry breeder stock industries/markets as well as high power costs. There are also illegal cheaper imports of feed and meat, prohibitive tax regulations and security threats. As a result, domestic poultry production on a commercial scale is not competitive with imported frozen poultry.
- REF: FAO, www.infpd.net; Indigenous chicken breeds have a low production potential and the annual mortality often exceeds 50% in the case of a poorly managed farm. Poor knowledge of the producers, non-availability of vaccination and veterinary support and other services are serious constraints of the system, although things have improved in recent years with donor assistance.
- Locally produced chicken feed has not been sufficient to satisfy demand and many poultry farms have had to rely on expensive chicken feed imported from Pakistan. Chicken feed is more expensive in Afghanistan than in other countries, often leading to poor economics in the poultry sector.
- Pakistan also employs the predatory trade practice of restricting the chicken feed it sells in AF, taking advantage of a lack of Afghan produced chicken feed. The Pakistani traders sell the Afghan traders chicks, but restrict the feed. As a result, the chicks do not grow to their full potential. When the Pakistani raised chickens are big enough, they are shipped to Afghan markets to compete with their smaller Afghan counterparts, thus securing larger profits for the Pakistani traders. Many also believe that Pakistan (and Iran to a lesser degree) actively dumps their products on the Afghan market to prevent the Afghans from developing their own industries and to secure and protect their market for their own products well into the future.
- Many Afghans prefer not to buy imported frozen chickens because they believe some of the products come from non-Muslim countries and thus they may not be Halal. Many people prefer buying live local chickens to frozen imported chickens due to freshness.
- In some cases, multiple agency donor support has tended to cluster in specific geographical areas, leading to market distortions and oversupply of meat and eggs.
- The business carries much risk and a number of farms have failed due to disease, poor economics, unqualified management and contaminated chicken feed.

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)

REF: ASAP Final Evaluation (2012): In a discussion with Dr. Ihsanullah, he revealed that his main hatchery business constraint has to compete against subsidized imports from Pakistan and Iran. He pointed out he is at a disadvantage competing on the open market, given that he pays Afghan taxes, while concurrently in Iran and Pakistan all poultry products are tax exempt, allowing their products to be very competitive. However, Dr. Ihsanullah also explained that the poultry farm enterprise has a feed mill component and he claims that he has made some profit since May 2011 through a feed contract with the Afghan MAIL.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
Claims he was promised a $25K cash grant from IDEA-NEW and claims to have signed an MoU but did not receive the funds.

Mutahid Shamal Sharq Poultry Company (No USAID support)
n/a

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Employment generated by the supported businesses (and attributable to USAID support)
Relative to other industries, job creation in the poultry sector per investment amount is minor.

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)
The company has provided a reasonable contribution to the local economy, mainly through providing jobs for 21 full time employees and products for wholesalers and retailers, both locally and regionally.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
The poultry farm employs 12 people, but it is difficult to attribute this to USAID support, given the many donors who have contributed to the company.

Mutahid Shamal Sharq Poultry Company (No USAID support)
150 full-time staff and more than 1000 people in logistics and trade have reportedly benefitted from the business.

Impacts on other businesses (e.g., suppliers)
Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)
As the company has expanded, suppliers and sellers of their products have benefited.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
As the company has increased its business, suppliers and sellers of their products have benefited.

Mutahid Shamal Sharq Poultry Company (No USAID support)
As the company has increased its business, suppliers and sellers of their products have benefited.

Other multiplier effects to the economy
Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)
They have served as proof of concept and been an example to others looking to enter the poultry business. They have improved food security and health and nutrition of local populace.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)
They have served as proof of concept and been an example to others looking to enter the poultry business. They have improved food security and health and nutrition of local populace.

Mutahid Shamal Sharq Poultry Company (No USAID support)

They have served as proof of concept and been an example to others looking to enter the poultry business. They have improved food security and health and nutrition of local populace.

Negative impacts to local economies

The effluent from the poultry farms has led to pollution of the surrounding areas.

In some cases, smaller local operators in the poultry sector have had to compete with the larger farms and their ability to expand their businesses has decreased and they are limited in what they can charge for their products. Larger poultry farms are also far more efficient operations and require far fewer people to operate than local, low tech operations – leading to fewer overall people employed in the sector, especially women.

In some cases, donors have provided support in geographic clusters leading to market distortions and an oversupply of poultry products.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

The impact of larger scale poultry farms on women's empowerment can be described as minimal and indirect. The economy and society overall benefits from the success of these companies.

REF: FAO: It is mainly women who own poultry and who are involved in the small-scale village poultry production system which still provides more than 98% of the poultry products in the country (domestic production).

REF: www.fao.org Backyard poultry production has always been a major contributor to family nutrition in Afghanistan, where women have responsibility for more than 90 percent of village production of eggs and poultry meat.

Helmand Ihsan Poultry Company (HIPC) (ASAP-Chemonics 2006-2011) (ADP-S-DAI 2005-2009)

The company primarily hires men. Men are also primarily involved in distribution.
HIPC has sold layer hens to households, creating small business opportunities for women.

Omid Khalid Poultry Company (ADP-E-DAI 2005-2009) (IDEA-NEW-DAI 2009-2015)

The company primarily hires men. Men are also primarily involved in distribution.

Mutahid Shamal Sharq Poultry Company (No USAID support)

The company primarily hires men. Men are also primarily involved in distribution.

2. **What Aspects of USAID's support to Poultry Farms were most successful, and under what conditions?**

The following characteristics maximize the likelihood of a profitable and self-sustainable poultry operation in Afghanistan:

- Experienced **management** and technically qualified staff – well trained in commercial poultry operations.
- Appropriate well maintained **plant and machinery** with stable access to parts.
- Relatively inexpensive and quality locally produced **chicken feed**, on-site preferable. (the highest percentage possible) Acceptable and stable deals in place with Pakistani suppliers to make up any deficit.
- Correct breeds of locally born **chicks** (the highest percentage possible). Acceptable and stable deals in place with Pakistani suppliers to make up any deficit.
- Stable access to the correct acceptably priced **medicines and vaccines**.

- Correct **health and sanitization** standards.
- Proper secure location with a robust local **market**.

In the cases when USAID projects intervened to insure the highest percentage of the above characteristics were in place as part of a comprehensive integrated poultry farm, the likelihood of success increased markedly.

ADP: Some poultry farms that started 10 years ago and much of the credit for their expansion can be attributed to USAID support. A **layer farm** to produce eggs and a **breeder farm** to produce meat have been very successful in the early stages but the breeder farm eventually failed.

Market-driven approach - Profitability is paramount. Before doing any poultry project, a **feasibility study** should be done on commercial viability, otherwise the funds will likely be wasted. Should study which products are in demand and which are profitable and then guide poultry farmers in the best way to meet the standards demanded in the marketplace.

Although support of **existing successful businesses** are optimal, supporting **start-ups** can be warranted as and when professional managers are linked with commercially viable poultry projects as supported by bankable feasibility studies. Many of the assessment criteria employed by banks in assessing loans should be used when analyzing the viability of support to poultry farms, e.g. HIPC.

The poultry farm managers should drive the receipt of assistance process in an **entrepreneurial** way with assistance from appropriately qualified USAID consultants.

Equipment procured should be suitable for its intended use with appropriate low cost technical consultants and low cost accessible maintenance and spare parts.

Grants should only be done if they are necessary to overcome a hurdle that would not be overcome if the grant were not to take place and should have a high probability of leading to a sustainable poultry business.

Access to finance is very important, especially to cover working capital expenses in early stage poultry farms. More low cost lending (sharia compliant if requested). Favorable interest rates and longer term are optimal.

Training if specifically requested by qualified company management and appropriate to company circumstances, it has more likely than not been a valued intervention. An example has been training support to include training in improvement of health and sanitization standards, medicines and vaccines as well as in commercial poultry farm management e.g. HIPC.

What aspects of USAID's support to Poultry Farms appear to have been least successful and/or what conditions appear to have been most challenging, and why?

The greatest challenges to overcome have been:

- Identifying trustworthy and experienced **management** and technically qualified staff – well trained in commercial poultry operations.
- Producing sufficient local **chicken feed** on-site. Procuring from Pakistani dealers at an acceptable price and quantity.
- Breeding the correct type of **chicks** locally. (There have been failures in this regard.) Procuring from Pakistani dealers at an acceptable price and quantity.
- Securing stable access to the correct acceptably priced **medicines and vaccines** from Pakistan.
- Maintaining the correct **health and sanitization** standards.

- Maintaining a secure location with a robust local **market** and avoiding gluts in the local market due to over-competition caused by too much geographically concentrated donor support.
- Overcoming poor infrastructure.
- Avoiding prohibitive **taxes** for all imports from Pakistan.

The Afghan poultry industry is limited by the country's poor infrastructure and expensive operating costs due to a lack of competitive feed and poultry breeder stock industries/markets. Domestic poultry production on a commercial scale is not competitive with imported frozen poultry. REF: www.thepoultrysite.com

It may not be feasible or possible in Afghanistan to run a fully integrated poultry farm, but the more self-reliant and integrated the poultry farm, the more it would be able to avoid a number of the issues which make it vulnerable and allow them to compete and survive long into the future. (In the U.S. an individual company called an "integrator" performs all or most production aspects. Integrators generally own breeder flocks, hatcheries, feed mills, and processing plants. The integrators provide the chicks, feed, medication, part of the fuel for brooding, and technical advisers to supervise farm production. Integration reduces costs by coordinating each stage of production.)

ADP/E: Experienced failures with their investments in **breeder farms** and **hatcheries** – they were relying on electricity, which was a problem at the time. They ran fuel generators, but the diesel fuel was too expensive, making the farm uneconomic.

IDEA-NEW: Breeder farms were not successful at the initial stages, had improved prospects for success when electricity became more readily available and inexpensive and then eventually failed due to the complexity of the operations and the competition from Pakistan, which dumps their chicks at lower prices (some say to prevent Afghanistan from developing its own breeder capacity). IDEA-NEW did shipments of chickens from Holland, but then stopped due to the high expense. IDEA-NEW reportedly started a **feed mill** for poultry which reportedly has good prospects for long term success. NFI. A feed mill in Nangarhar is now being supported by CARD-F under DFID funding.

USAID projects subsidized shipments coming from India. It was determined that this was not self-sustainable and was cancelled because they had to transit through Pakistan.

IDEA-NEW FINAL EVALUATION pg. 10 comments. Another potential explanation for weak results in poultry is the break in the value chain, which is then too weak to completely absorb the increase in the supply of high-value agricultural products that diversification brings. Poultry farmers mentioned that too many breeder enterprises were supported while there was a lack of support further up the value chain for processing, cold storage, and marketing.

IDEA-NEW FINAL EVALUATION pg. 10 comments According to key informants, IDEA-NEW had created an oversupply of poultry products, particularly for broilers, and this depressed prices and made their businesses less viable.

IDEA-NEW FINAL EVALUATION pg. 9 Another potential explanation for weak results in poultry is the break in the value chain, which is then too weak to completely absorb the increase in the supply of high-value agricultural products that diversification brings. Poultry farmers mentioned that too many breeder enterprises were supported while there was a lack of support further up the value chain for processing, cold storage, and marketing.

VETERINARY FIELD UNITS

a. Sources of Data

- ASAP Project Reports
- Documentation from DCA, including Annual Reports

- Key informant interview with DCA Deputy Director
- Key informant interviews with Herat DAIL, Herati Cashmere Company, RADAA staff, former ASAP staff
- Phone survey with VFUs
- Interviews with 6 VFU owners (in Herat and Mazar), plus site visits to 3 of these VFUs
- Four focus group discussions with VFU clients (herders):2 with men in Herat, 1 with women in Herat, and 1 with men in Mazar

1. Introduction to the VFUs

Veterinary Field Units (VFUs) are small businesses providing paravet services (including vaccinations, medicines, and other treatments) and extension services to livestock herders. They are implemented by the Dutch Committee for Afghanistan (DCA), which has (as of 2015) established 585 VFUs that it is still working with, organized into a large network.[89]

DCA has been working with VFUs for about 23 years. The VFUs have received funding support under a number of USAID projects, including RAMP, ASAP, IDEA-NEW, and currently RADP-N, RADP-S, and RADP-W. RAMP provided $11.99 million USD to DCA to support VFUs, and ASAP provided $9.19 million USD.[90] These two grants were the largest source of support to VFUs while they were running, while the RADPs remain an important source of funding now. DCA also receives funding from other donors, including the World Bank, GIZ, and the EU, amongst others.

The VFUs were initially subsidized and later set up to be self-sustaining businesses, supported through a private association called VetServe, set up by DCA during the RAMP project. When a VFU is started, the owner receives a 6-month paravet training course, as well as a refrigerator to keep medicines, a means of powering the refrigerator (solar or diesel generator), a motorcycle for field visits, and some other equipment. Most VFUs buy their vaccines and medicines from VetServe, which sources and imports them, ensuring that they are of high quality. According to the DCA Deputy director, these medicines are no longer subsidized, and the VFUs are now fully self-sustaining. VFU owners do not receive salaries from DCA, but make their living from sales of medicines and services. DCA provides a series of follow-up and refresher courses to VFU owners, who also offer extension services to clients at no cost.

What difference did USAID's interventions make to VFUs?

Number of VFUs still in operation, and performance trends

It appears that the survival rates of VFUs are very high, with the exception of VFUs that were only briefly supported in the South region under ASAP.[91] Our phone survey found 95% of VFUs were still functional. However, a large number of VFUs started in the South of Afghanistan near the end of the ASAP project (at ASAP's request) then lost funding support soon thereafter, when ASAP ended. Including these, the survival rate of VFUs is about 65%.

In our study, we spoke with 4 VFU owners in Herat, and 2 in Mazar, and visited one VFU store in Herat and 2 in Mazar. We also conducted a telephone survey of 117 VFUs, of which we were able to

[89] These numbers are based on an interview with the deputy director of DCA in October 2015. DCA's 2011 Annual Report (p6) mentioned nearly 800 VFUs had been established across the country. However, it did not maintain a presence in the South, and appears to be no longer supporting all those initially established.
[90] The figure for RAMP is taken from the RAMP Final Project Report on the Livestock Health, Production and Marketing Program, submitted by DCA on July 15, 2006. The figure for ASAP is taken from DCA's 2011 Annual Report (p8).
[91] Based on the DCA 2011 Annual Report. This report also mentioned a total of 800 VFUs, suggesting that about 250 stopped operating or receiving support from DCA – again, these appear to be mainly in the South of the country.

verify the status of 67.[92] Of these, all but one (i.e. 99%) were still in operation, and two claimed they had not received any support. Asked about their level of satisfaction with their business, most indicated that business was okay and sufficient to sustain them (i.e. an average score of 3.4 out of 5, where 1 is very unsatisfied and 5 is very satisfied). Their level of satisfaction with the support they had received from DCA was rated as 3.8 out of 5 on average.

More detailed in-person interviews with six VFU owners showed that most VFUs were making a modest living, sufficient to support the owner and his family. But in most cases, the owners had not reinvested in or expanded the business, and many complained that the initial equipment they had been given by DCA, including solar panels, refrigerators for storing vaccines, and motorcycles, were very old and no longer operating. This suggests their income was enough to sustain their day-to-day expenditures, but not enough to maintain their overall capital investments. This also has implications for the quality of services, as working refrigerators are necessary to maintain the cold chain for vaccines and some other medicines, and motorcycles are necessary for making outreach visits to clients.

Based on these findings, these businesses are not 100% financially independent. Along with free training and in-kind grants to assist with their initial start-ups, many received, and are still receiving, small monthly payments for reporting to USAID projects. One person in Mazar mentioned receiving 2000 Afs per month (approximately $30 USD) to provide reports on his clinical activities to RADP-N, while in Herat, 1000 Afs monthly to support extension activities was mentioned. In essence, the extension services, which are provided free to farmers/herders, happen through the ongoing support of DCA. The provision of medicines and vaccines is largely self-financing, with the VetServe company set up by DCA playing a key role in the provision of these supplies to the VFUs.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

The model of support provided by successive USAID projects does not appear to have changed radically. Under RAMP, the major focus was on making the VFUs operate as independent businesses, networked through the veterinary association (which has close links with DCA), while also expanding and opening some new VFUs.

Under ASAP, 450 VFUs received support, including 82 newly established.[93] A big focus was on extension to raise farmers' awareness of the financial opportunities of collecting and selling cashmere, and introducing the combing method of cashmere collection. According to key informants, these efforts failed to take hold as much as intended, because they were relatively rushed due to the project duration. The DCA 2011 Annual Plan refers to an impact survey showing that this outreach had a sizable influence on farmers' awareness of cashmere, being the means by which 95% of farmers came to know of cashmere (although it does not report what percentage of farmers/herders are aware of cashmere, or the methodology of the survey). However, the VFUs in Herat – which is a central area for cashmere collection – reported having only had a modest influence of farmers in terms of encouraging combing methods, mainly because they had not been able to do very much outreach. Also, one reported that they had attempted to set up collection points and then sell the farmers' cashmere to traders, but this had not worked due to lack of buyers. This problem was reiterated by DCA staff.

[92] Many of the phone numbers provided with the contacts were unreachable. We do not assume this means the VFU is out-of-business, as it is common for people to change their phone numbers for many other reasons. Where possible, we verified with a contactable nearby VFU owner to see if others in his region were still in operation.

[93] From DCA's 2011 Annual Report, p8.

Otherwise, while it is hard to disaggregate the influence of various funding sources, the overall model of the VFUs appears to have worked on several dimensions: primarily, the VFUs themselves are functional. ASAP, and other USAID projects, have been, and continue to be, a major funding source driving the overall program.

All functional VFUs have continued to receive some support from donors via DCA up until the present time. If all support and subsidy were removed from these VFUs, it is most likely that they would continue as medicine and vaccine supply stores, but the quality of services, and possibly of the medicines, would decrease, and extension services would probably cease.

The influence of outside factors on agribusiness sustainability

Many of the VFUs are located in areas where they have a near-monopoly due to the absence of competing businesses, and they are providing a needed service to farmers. The VFU owners we spoke with mentioned that the medicines provided through the veterinary association are of a higher quality than those available on the open market (which is not regulated, so much of the material is of unknown and dubious quality). However, the cost of these medicines is also slightly higher. Thus, the willingness and ability of farmers to pay the difference – if and where there are competing businesses – is paramount. One owner explained that he would prescribe the medicine and give his clients the choice whether to buy it from him, or buy on the open market at a slightly lower price. They find through experience that his medicine is much more effective. Because of this, some VFU owners reported seeing their clientele expanding as farmers see the effectiveness and benefits of vaccines and treatments. Other VFU owners note that more agricultural stores are opening and selling unregulated medicines which, although of poor quality, are undermining their businesses.

Situations that may affect the farmers' income and ability to pay likewise affect the VFUs' sustainability: insecurity and drought were both mentioned as risk factors.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

The purpose of USAID's support to the VFUs has been primarily to increase the health of livestock, leading to economic gains to livestock owners. While there is no current hard data on the impact of VFUs on the impact of herd mortality, past studies and current anecdotal data both suggest that they have been successful on this front, with room for further gains.

Employment generated by the supported businesses (and attributable to USAID support)

The VFU owners we spoke with did not have any employees, except in some cases they had a family member assisting them. This appears typical, based on DCA's annual reports. Thus, DCA credited ASAP with creating 82 new jobs, through the creation of 82 new VFUs.[94] IDEA-NEW sponsored the opening of further VFUs, with a similar ratio of one new job per VFU created.

Impacts on other businesses (e.g., suppliers)

The VFUs provide paravet and advisory services to livestock farmers so that they can increase the health of their herds and improve mortality. Some of their most significant activities have been vaccination of livestock. DCA claimed over 8 million vaccinations of livestock delivered while they were receiving ASAP support. There have been a number of studies estimating the financial value of such investment due to reduced animal mortality rates, including one commissioned by DCA under RAMP estimating it at $11 per dollar spent.[95]

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[94] DCA 2011 Annual Report, p8. Note that this contrasts with the ASAP Final Evaluation, which credits ASAP with creating only 63 VFUs (see p.13). The reason for this discrepancy is not clear.

[95] As described in the ASAP Final Evaluation, p14.

Generally, the feedback from the clients we spoke with was positive regarding the quality of services provided by VFUs.[96] Although they noted the prices were higher than those on the open market, not all of the medicines and vaccines are through the open market, and the farmers noted that the quality of those obtained through the VFUs is much better. They report it has reduced the mortality of their livestock. There were several concerns raised about the timing of vaccines – that either the ideal schedule was unknown or not being adhered to, reducing the effectiveness of preventive medicine.

A key here is maintaining the quality of medicines and vaccines. This is done mainly by the company VetServe, set up by DCA during the RAMP funding, which is the main supplier to DCA-registered VFUs.[97] The VFU owners in Herat noted that if they do have problems with the medicines they buy from the association/VetServe, they can return them and complain.

VFU owners note that not all herders are able to afford the VFU's vaccines and medicines. The proportion who can pay varies depending on location, with most owners estimating about 60%. Most VFUs reportedly do not offer services on credit, which is a need for cash-poor herders. Some NGOs are providing vaccines at no cost to herders, which they obviously prefer.[98] The issue here would be if this undermines the financial sustainability of VFUs, while in itself being a temporary solution – this would ultimately leave the herders worse off. However, such programs do not seem widespread enough for this to be a concern.

Other multiplier effects to the economy

Beyond the medicines and services that they sell, VFUs provide free extension services to farmers, often linked to specific project initiatives. These are wholly subsidized, so can be considered as additional to the core business, although they also help the VFUs increase their presence and connections with potential clients.

The VFUs have also provided the basis for some other initiatives, such as the attempt to act as collection points/wholesalers for cashmere. While this was done under ASAP, it did not appear to take off. The reasons for this are not entirely clear, although it may be linked to the comment complaint from those involved in ASAP's work with the VFUs is that the timeline was too rushed.

Negative impacts to local economies

There were no reported negative impacts to local economies, except for some cases where the efficacy of the medicines were questioned, as were the qualifications of the paravets. Generally, the DCA support on this front appears to be good, so its interventions have generally reduced such risks, rather than amplified them.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

This study did not include any women paravets, who are extremely few. The ASAP Final Evaluation mentions just 7 female paravets countrywide – this was in 2012. DCA management reported in an interview that there are about 300-400 female veterinary extension workers (VEWs) in 18 or 19

[96] It is important to note that most of those we spoke with were referred to us by DCA, creating a likely bias. One FGD was organized by another NGO, and this group was much more critical of the local VFU, although it was also receiving free vaccines from the other NGO.

[97] VetServe only sells to DCA registered VFUs, but they are not bound to buy their supplies exclusively from them. Of the VFUs we interviewed, about half mentioned sourcing their supplies exclusively from the veterinary association/VetServe, and the rest claimed to purchase the majority (about 80%) of their materials there.

[98] The study team spoke with herders receiving vaccines at a nominal rate of 2afs per head from the NGO RADAA.

provinces who receive enough training to give basic advice and referrals to VFUs, and who deliver an extension training package developed by DCA on "Women's role in animal health and production." These female VFUs work on a voluntary basis, receiving remuneration of just 500 afs per month towards their phone expenses.

Although women are involved in herding, it is difficult for them to work in, or to access, VFUs directly, so most of the benefit is indirect. This indirect benefit to women is substantive, as they play an important role in caring for livestock. In this study, we conducted one FGD with women herders, who provided similar responses as men in terms of their experiences with VFUs and the impact of the VFUs on their animal health.

What Aspects of USAID's support to VFUs were most successful, and under what conditions?

Overall, VFUs provide an interesting blended model – operating primarily as private businesses, but with some subsidy towards extension and sometimes vaccination programs (as well as in initial capital costs for start-up). This model appears to have worked well for Afghanistan's rural areas, where purchasing power is limited and population density is low, making it challenging to offer high quality services (particularly extension services) entirely through cost-recovery. The success here is that DCA has managed to make the VFUs largely financially independent, at least in terms of their daily running costs. The risk is that the quality and full operation of the VFUs still appears dependent on DCA's ongoing involvement. There are no VFUs which have 'graduated' from DCA support. This last point does not appear to have been fully addressed in the rhetoric surrounding the VFUs, which refers to them as a network of independent businesses.

The eventual aim, presumably, is for VetServe and the veterinary association, to stand alone without DCA's support. This study did not assess the degree to which this could happen.

Another key success, in terms of intervention, lies in USAID's support of DCA, as an organization with a long history of working with herding communities throughout the company. This provided continuity and stability of engagement far beyond the funding of a single project, and this is likely a major factor in the success of this initiative. The depth of knowledge of DCA as an institution appears impressive.

What aspects of USAID's support to VFUs appear to have been least successful and/or what conditions appear to have been most challenging, and why?

USAID's support to DCA, which has a long-standing presence and vision, makes sense. Whether doing so via a series of discrete projects, rather than through a direct agreement between USAID and DCA, is somewhat beyond the scope of this study to assess. Nonetheless, some of the challenges in the support given appear due to the project funding cycles and the projects' needs for short-term deliverables. DCA staff mentioned this specifically in terms of a proposed hybrid breeding program that donors (not just USAID) were willing to fund, but only if it could be reduced in length. Likewise, the main limitation to these interventions noted by DCA and other key informants was the short-term nature of the funding grants, and a tendency to look towards quick fixes without enough time given to assessing sustainability and suitability from the outset.

The other major limit worth noting is perhaps more a disjuncture between the rhetoric and reality of how the VFUs are functioning. While both DCA and their supporting USAID projects describe them as a network of independent businesses, it does not appear that they are fully independent from DCA. This may not be a problem, if the ongoing support required is minimal, but it should be more directly considered. Likewise, a clear assessment and plan of how VFUs with aging capital assets (namely, motorcycles, power sources and refrigerators) can upgrade these appears to be lacking. This needs to be addressed through business planning, and perhaps VetServe can provide a financing plan to its members, allowing them to pay towards such big purchases over a long period of time.

WOMEN-OWNED PROCESSORS

a. Sources of Data

- Interviews with the owners of three women-owned processing businesses which received support from IDEA-NEW
- Interviews with the owners or members of 14 women-owned processing businesses which did not receive support from USAID (as comparators)
- Other key informant interviews (especially with active member of Peace Through Business)
- IDEA-NEW reports and IDEA-NEW Final Evaluation
- Other articles and publications on women-owned businesses
- Primary information from other recent studies: Women's FGDs during ATAR evaluation, and the FGDs with women during the RADP-C Agricultural Policy Gap Assessment

Introduction to the women-owned processors

Much of women's engagement in agriculture occurs in harvesting and processing, including traditional means of processing herbs, vegetables and fruits, such as drying, pickling, and making jam. Women are also traditionally involved in livestock production and dairy processing, rearing silk worms, and the gathering and preparation of some wild herbs (such as licorice root and wild mint, for example). Thus, while women-owned agribusinesses are still relatively few, most of them fall into the category of processors. Even the women's FSCs, which were focused on inputs, all included training and equipment for agro-processing, based on requests from their women clientele.[99]

This study includes three women-owned processing businesses that received support from IDEA-NEW, plus two businesses that received support from other USAID projects and 12 'comparator' businesses which did not receive support from USAID, but which attended the 2015 AgFair at Badam Bagh.[100] Short interviews conducted with the representatives of these businesses, who in most cases were also the owners, together provide a useful snapshot of the status and issues faced by women-owned agro-processors. Most of these were processing fruit and vegetables, while some were focused on dairy.

IDEA-NEW supported a small number of women's agricultural businesses (the exact number was not available in the documentation we reviewed). Some of IDEA-NEW's initiatives for creating agricultural income opportunities for women were follow-ons from the work started under ADP. Others were newly begun. IDEA-NEW's support to the agribusinesses came in the form of a grant, which was based on a consultation with the business owner as to their current status and needs. It was combined with technical advice and support in creating a business plan and some marketing/promotional materials.[101] This follows a similar approach taken by ADP.[102]

The two other businesses that received USAID support appear to have appeared grants under similar conditions to the IDEA-NEW grants, while one also received a loan from ADF.

[99] Based on AFSA reports.
[100] All women-based businesses at the 2015 Badam Bagh AgFair were sponsored to attend by USAID, which paid for their booth space and produced a banner with the business's name on it.
[101] Based on interviews with grant recipients and project documentation.
[102] Based on interviews with former ADP/E staff.

What difference did USAID's interventions make to women-owned processors?

Number of women-owned processors still in operation, and performance trends

Amongst the three IDEA-NEW businesses included in this sample, two were running and making a good profit, with hopes to expand. The third had expanded recently, but reported that it was no longer making a profit and was having difficulties maintaining its operations. The two other USAID-supported businesses were both doing well.[103]

This is a very small and unrepresentative sample, so it is not possible to generalize readily to the broader sector. The IDEA-NEW Final Evaluation mentions that it contacted five women-owned agribusinesses, of which two were successful (these included operations other than processors – one of the successful businesses cited was a greenhouse operation run by a widow). It concluded that the failure rate amongst women-owned agribusinesses was high.

The comparator agribusinesses present at the agfair were, by definition, operational, or else they would not have been present at the agfair. Nonetheless, two of these mentioned that their only sales were made at agfairs once or twice a year, meaning that their level of operation was nominal.

While the women's businesses attending the agfair came from all regions (except the West), a disproportionate amount were from the Central Region, including Parwan, Kapisa and Kabul. Most of these businesses reporting having received no support from any donor. We suspect that businesses likely understated the amount of support they had received, since there have been numerous donors supporting women's businesses, especially in the central region, and a limited pool of businesses for such donors to work with.[104]

Most of the businesses presented a surprisingly optimistic outlook, with many of them having reported having expanded business in the last three years (including the number of employees, amount of equipment, and number of customers). Despite their successes, they faced a series of constraints to further growth that were commonly cited and shared: they wanted improved access to affordable credit, improved market linkages, support in securing machinery to help them automate and improve the quality of processing, and help with packaging and labeling.

Many of the comparator businesses were collectives, including unions and associations. Such organizational types appear more common for women's agri-businesses than for men's. One key informant explained that associations are easy to register and are also tax-exempt. In practice, however, some of them operate more as a traditional single-owner business, and the 'members' are essentially employees.[105] The businesses also had a surprisingly high number of reported employees. In many cases, the work is seasonal and the 'employees' are home-based and only engaged on a part-time or occasional basis. These figures were not converted into FTE – if they were, they would be much lower. Nonetheless, they suggest that many women's agro-enterprises have significant reach in terms of the number of people they create economic returns for (although those returns may be modest).

Size:	**# of employees**	**# of businesses**	**%**
Micro	1 to 5	3	21%

[103] One is a bakery called Fine Foods that delivers baked goods to supermarkets throughout Kabul, and which has a dominant market presence. The other is a small handicraft company called Hasina Mabooba Handicraft Co. (named after the owner), which is based in Istalif and specializes mainly in leather and textile handicrafts, along with some food production.
[104] For example, the majority of businesses surveyed neglected to mention that they had been sponsored to attend the agfair.
[105] Also based on the same key informant's input. Without more data, it is not possible to comment further on the relative distribution of decision-making and wealth within these 'collective' businesses.

Small	5 to 19 employees	3	21%
Medium	20 to 99	6	43%
Large	more than 99	2	14%

Table summarizing the size of women's agro-processors included in the study (n=14, figures were not available for 3 of the businesses)

For many businesses, the members/employees source materials from their own fields or, in the case of dairy, cows. Others source from the open market, or use a combination of sources. Because these businesses are mainly home-based and use traditional, low-tech methods of processing (such as drying in the sun), they may tend to be relatively low risk, while at the same time, their low-tech approaches can be labor-intensive and limit expansion into higher value markets.

Influence of USAID's support on the capacity and ongoing operation of the supported businesses

All three businesses in this study that received support from IDEA-NEW received it in the form of an in-kind grant of equipment, based on a consultation with the business owner about the business needs. Of the three businesses that received support from IDEA-NEW, one was doing well and credited IDEA-NEW with helping her business to expand, another was doing well but said IDEA-NEW's grant had not been helpful, and the third was not doing well, although the owner reported that IDEA-NEW's grant had helped her business to expand.

The business that reported benefitting from IDEA-NEW's already appeared to be quite strong, and has been getting support from a number of other projects and programs also. For example, the owner is also a very active member of the Peace through Business network, which provides mentorship and training to women entrepreneurs. IDEA-NEW helped her to develop a supply line of baskets made by local women, using locally sourced materials. She can sell these and also use them to hold a number of jars of jams and pickles that her company produces.

The company that reported IDEA-NEW's support was not effective blamed it on the procurement process and a lack of concern with results on the part of the project implementers. These concerns were echoed by some other study respondents as a fairly common complaint of USAID projects. In this case, the owner claimed that the consultation went well, and she explained what she needed and the best place to procure it. However, despite signing a grant agreement, the project staff claimed they were unable to source some of the equipment, and so would not spend the money, and for another piece of equipment, they bought something of poor quality and faked the invoice. It broke soon thereafter. Other forms of support were likewise of poor quality, including business cards with misprints so she could not use them, and a remotely drafted business plan. These sorts of stories are not uncommon and were not limited to IDEA-NEW.

The final business, we have limited details on the form of support given, but it appears that it was initially helpful, but then the business ran into management problems. This suggests that a cost-benefit analysis may not have been properly conducted when implementing the grant, implying planning weakness both on the side of IDEA-NEW and the business owner.

The influence of outside factors on agribusiness sustainability

Women's ability to engage in business is limited by social norms, especially those on women's mobility. Women are also less likely to have collateral for loans (i.e. land deeds). External to USAID (or donor support), the ability and motivation of a woman to overcome these obstacles is key. Generally speaking, women are more likely to need some form of ongoing support beyond the short-term support typically offered in the course of a single USAID project. As with men's businesses, women's processing businesses are also threatened by lack of security and by the overall economic situation.

Most women's processors sell only to domestic markets, although some are selling to exporters. A few businesses mentioned the difficulties with competing with cheap imports from Iran and Pakistan (a point that was also stressed in FGDs with women business owners in previous studies).

One potential risk for these businesses is that many have aimed at 'upscale' domestic markets, such as supermarkets that are partially dependent on sales to expats. As the latter are reducing in number within the country, these markets are also in decline.

Through support to these agribusinesses, what difference did USAID's interventions make to the local economy?

Reviewed project documentation did not explicitly set out goals on broader economic benefits through supporting women's businesses, except in one IDEA-NEW report, which mentioned linking a larger women's textile business in Balkh to women spinners working out of their home. This lack of explicit target is surprising, as women-owned businesses appear well placed to leverage benefits for potential suppliers and buyers, since they tend to source both domestically.

Project documentation also does not tend to include any disaggregation of household types in terms of vulnerability. However, women-headed households are particularly vulnerable to poverty and insecurity, and are particularly likely to benefit from women-led processing businesses in which they can engage even if they do not have land.

Given that women do face a broader array of barriers to entering business, and that they may leverage a broader range of benefits to the local economy, and especially to vulnerable, women-led households, there is a strong case to be made for intelligent intervention to support women's businesses.

Employment generated by the supported businesses (and attributable to USAID support)

From the three businesses interviewed:

- Farah Farhat Faizi Food Processing Co. has 70 employees (65 women and 5 men), it has expanded in the last few years, and credits it in part to USAID's support.
- Parwan Women's Training Centre/Parwan Industrial Women has 7 employees. No jobs were created due to USAID support. (This business received support from IDEA-NEW plus a loan from FINCA (linked by FAIDA).
- W.P.C.S.O. has 10 staff (3 men and 7 women). It credits IDEA-NEW with creation of some of these jobs, but now reports it is not profitable, meaning these jobs may not be sustainable.

As noted previously, women's processors appeared to have the capacity to employ many people – perhaps due to the fairly work-intensive nature of processing with limited mechanization.

Impacts on other businesses (e.g., suppliers)

Some of these businesses source from their own members, while others use external suppliers. Some are sourcing from the open market. Amongst the businesses in the sample of three which received IDEA-NEW support, one (Parwan Industrial Women) reports using a contract arrangement with 400 local women to provide and process ingredients based on market requirements. For example, she sets up agreements with women to grow and dry green pepper. She prepays them and collects the green pepper directly from them. Again, this business does not credit USAID support with this arrangement.

The three women-owned businesses in the sample and the others included as comparators all sell to local traders and/or retailers, creating business opportunities for them also through their onward sales.

Other multiplier effects to the economy

Because women in business are still fairly unusual, they are more likely to have an impact in terms of creating role models and shifting social norms.[106] There is some anecdotal and research evidence that suggests that, at least in some regions (particularly in the Central Region), attitudes towards women business owners are changing. While the idea is still odd, people are not as opposed to women's engagement in the economy in theory, but rather the biggest reason they don't engage now is the general lack of economic opportunity.[107] Generally, it is more socially acceptable for widows to engage in economic activities.

Negative impacts to local economies

There were no negative impacts to local economies due to women's processing businesses identified in this study. One potential impact could be through the expansion of businesses and the mechanization of processes – this can create efficiency by eliminating jobs, which could disproportionately affect poorer, less skilled women. At present, this does not seem to be a concern, but it is worth considering when assessing the costs versus benefits of providing grants for mechanization.

What difference did these businesses make to women's access to and participation in agricultural value-chains?

Obviously, supporting women-owned businesses directly benefits the women who own these businesses. In general, these businesses also tend to employ higher proportions of women and are much more likely to deal with women as suppliers and customers. In addition, these businesses, as noted previously, provide positive role models of women's businesses, and may play a role in shifting social norms to be more accepting of women taking an active economic role.

What Aspects of USAID's support to women-owned processors were most successful, and under what conditions?

The most successful interventions for women-owned processors largely follow the same patterns and principles as seen for other sorts of businesses. The entrepreneurial spirit and strong management skills of women running successful businesses were clearly evident. The businesses themselves were viable. In addition, the support itself needed to be correctly targeted and delivered, in consultation with the managers. Women leading such businesses typically have a supportive family that allows them to act in a way that in many aspects still flies in the face of current social norms and conventions.

One key informant stressed that the most successful women had been able to access and leverage support from multiple sources over a span of years, and had often received mentorship or other forms of informal support. This observation was borne out by other evidence in this study: i.e. the most successful women's businesses had accessed various sources of support. It also suggests that one-time support provided by USAID projects is more likely to leverage success for women's businesses if such projects link with organizations that have longer-term interventions, such as PARSA, a private

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[106] Holly Ritchie (April 2012) *Unleashing Economic Potential Through Institutional Innovation in Traditional and Uncertain Contexts: The Case of a Women's Food Processing Enterprise in Afghanistan.* The Hague: Erasmus University. Available at: https://www.researchgate.net/profile/Holly_Ritchie/publication/265551834_UNLEASHING_ECONOMIC_POTENTIAL_THROUGH_INSTITUTIONAL_INNOVATION_IN_TRADITIONAL_AND_UNCERTAIN_CONTEXTS_THE_CASE_OF_A_WOMEN'S_FOOD_PROCESSING_ENTERPRISE_IN_AFGHANISTAN_%282012%29/links/5411d6010cf2bb7347dad8d8.pdf

[107] Chona Eschavez (March 2012) *Gender and Economic Choice: What's Old and What's New for Women in Afghanistan*. Kabul: AREU. Available at: http://www.areu.org.af

NGO that works with economically disadvantaged women and children.[108] According to its own reports, IDEA-NEW worked with PARSA on several small projects – a strategy which makes a lot of sense.

What aspects of USAID's support to women-owned processors appear to have been least successful and/or what conditions appear to have been most challenging, and why?

Looking at support to women's processors specifically, and to women's enterprises more generally, the areas of weakness in interventions include:

- Top-down designed interventions based on project requirements to engage women, but without proper viability assessments. These sorts of projects usually did not last beyond the funding.
- As with support to other businesses, there were some reports of in-kind grants being subject to fraud, so that the final goods or equipment delivered was less than, and substandard to, that which was promised.
- Sometimes, projects have created the market for women-owned businesses by buying their products. This is a great kickstart, but it leads to eventual failure (when the market ends), unless new market linkages are also created.
- There are a cases where the women selected to benefit from projects either did not have the right skills, the right entrepreneurial spirit, or were primarily motivated by 'free support', and so the intervention failed.

In short, full sustainability assessments are crucial from the outset. Screening the women business owners to ensure they have the appropriate skill set and motivation is critical, as is providing them with ongoing mentorship and support. Any temporary incentives or markets must be replaced in a timely way with an actual market, or avoided altogether. Finally, it makes sense to partner with organizations such as PARSA (as IDEA-NEW did), with a specific focus on women's businesses and which understand the sector.

Finally, in-kind grants should be used judiciously, and subject to rigorous fraud checks, and a complaint mechanism outside of the project.

[108] PARSA is just one example – there are many organizations focusing specifically on women's economic empowerment. Another is Women for Women International, which offers year-long economic empowerment training for women. The effectiveness and suitability for partnership would have to be assessed by USAID or its agents prior to engagement.

ANNEX VII: SURVEY AND DATA COLLECTION TOOLS

Below are three survey tools used to gather information for the assessment:

Questions for Management of Agribusinesses (during site visits)

Date of visit:

Name of interviewer(s):

Name of interviewee:

Role:

Email:

Phone:

General company information

1. Name of Company:
2. Location:
3. Product or service:
4. When founded?
5. Who started the company, and how?
6. Ownership: % shareholding – name(s) or owner(s)
7. Exact business description (1 sentence):
8. Employees:

# employees:	**before USAID project**	**@ project closure**	**now**
men	_____	_____	_____
women	_____	_____	_____

Management

1. Who manages the company?
2. For main manager:
    a. Bio/profile – Name, age, M or F
    b. Education
    c. Technical expertise
    d. General experience – years in business.
3. How is the company managed?
4. General management structure- basic line and block chart (draw):
5. Does your company have a business plan? If so, can you describe it?

Financial

1. What interactions have you had with banks? What were the results?
2. Does your company have any loans at present? If so, with which bank or financial institution? For how much? How much % interest?
3. What income tax rate does your business pay?
4. What are the tariffs per metric ton or unit of product your business imports (as a percentage)?
5. Does your company have a line-of-credit at present? If so, with which bank or financial institution? For how much?
6. Does your company have a balance sheet tracking assets and liabilities/debt?
7. Does your company have an income statement?
8. Is your company profitable?
9. Do you have a cash flow statement?
10. Are you able to fund your operations from your existing cash flow?

Technical Capacity of Company

[NB may want specific follow-up questions depending on the nature of the business – e.g. for agdepots dispensing medicine…]

1. What is the educational background of your staff?
2. What informal training or experience does your staff have?
3. Do you judge the staff's current capacity to be sufficient to meet the requirements of their work? Please explain.
4. How do you make sure that you and your staff have the technical abilities needed to perform your work at a high level?
5. How do you assure quality of your products (and/or services)?

Support Received From USAID

4. What exactly did USAID provide? Infrastructure, Equipment? Training? Loans? Grants? Other? (exact details). What do you still use today and plan to use into the future? (What has not been of value?)_____
5. **General nature of USAID intervention:**
    a. -Grant of (In kind/expense reimbursement/FOG – fixed obligation grant): cash, buildings (construction), machinery, cold storage, pesticides, tools, fertilizer, seeds, irrigation assistance, office equipment, staff hires, rental payment?
    b. -Training in: technical, farming, marketing, packaging, management and accounting, animal health medicines & vaccinations, packing, sorting, grading, washing, other
    c. Loan: Amount _____ Term _____ use of funds_____
    d. Linkage to suppliers (farmers)
    e. Linkage to export markets (int'l ag fairs)
    f. Certification (HCAAP, traceability, ISO, organic, global GAP) USDA
    g. Management of/sourcing from farmers – contract farming (?)
    h. Integrated approach (aka "value chain")?
6. If you received equipment, have you been able to maintain it?
7. If you received equipment, is it still in use? [ask to observe it, if possible]
8. Were there any conditions on the support given?
9. Did the support specifically aim to benefit women, or to have any other broader social or economic benefit, beyond the company's profitability?

10. In the intervening period from the end of the project to today, how has the company performed?
11. Has any other project contributed anything to your company? If so, what and when? Details. Are there any ongoing interventions or any planned for the future?
12. # Jobs created as a direct result of assistance? # Women?
13. Exact results? Degree of success? Lessons learned – successes and failures. What did the project allow you to do that you would otherwise not have been able to do? How?

Market: Supply Chain

1. What are the inputs/materials for your business? (please complete the following table)

Name of input:	Amount needed: (per year)	Where do you buy it from?	Cost per unit (approx.)	Able to get required quality and quantity?

2. Do you have any supply contracts or do you use the open market?
3. Do you source any of your supplies from women? Please provide details.
4. About how many suppliers do you have? ___Men __Women
5. Can you mention your specific suppliers? Is there a way we can contact some of them?
6. What are your overhead costs? (i.e. office space/warehouse space, employees, certification, equipment, other costs)

Name of overhead	Approx. cost?	Any issues?
Space:		
Staff:		
Equipment:		
Certification/training:		
Other:		
Other:		
Other:		

Market: Demand

1. What products and services do you offer

Name of product or service:	Average amount sold: (per year)	Where do you sell it?	Cost per unit (approx.)	Price per unit (approx.)

2. Do you have any offices aboard for your business and marketing?
3. How do you market your products?
4. Who buys your products? To you sell to wholesalers, retailers, or direct to consumers?
5. Can you describe your customer base?
6. Who is your competition?
7. What do you think is your comparative advantage over your competition?
8. Has the market changed over the last 5 years? Please explain.
9. What are your predictions for the future market?
10. If you don't currently export, do you think you will in the future?
11. Do you have Global GAP, HACCP procedures or ISO certification, fair-trade, or any other kind of international certification or recognition for your products?
12. If so, is it useful?
13. If not, do you think you need it? Please explain. If you think you do need it, why don't you have it?
14. Does your company's products meet international market requirements?
15. What kind of quality controls are applied? i.e. Quality assurance, origin of certificate, phyto-sanitary certification.
16. What are some key challenges your agribusiness faces?
17. Do you think your business has influenced the local market or other businesses in any way? Please explain.

Advice to USAID:

1. What advice do you have for USAID for supporting agribusinesses?

Future

1. What are your plans for the future of your company? Do you plan to increase your profitability? How?

Focus Group Discussion Guide:
Agribusiness Benefits to Local Economy & Women's Engagement

Target participants:

- Farmers and livestock keepers (either combined or separate)
- Ask target businesses to suggest their clients, can include some non-client farmers as well if you wish, as comparisons.
- Ideal group number would be 6-8 (can invite a few extras to allow for no-shows)

- Make sure no one with a direct interest in any of the businesses is present (i.e. owner or staff from a processing plant) – so that people are as free as possible to say whatever they want, whether positive or negative.

Purpose:

1. To learn about farmers' experiences with input suppliers (their relationship, terms and conditions, their level of satisfaction, benefits, and any limitations or disadvantages).
    a. Specifically focusing on input suppliers within our study (i.e. AgDepots, FSCs, VFUs), but also any others they may use (as comparators).
2. To learn about farmers' experiences with those purchasing their agricultural and livestock products (their relationship, terms and conditions, their level of satisfaction, benefits, and any limitations or disadvantages).
    a. Specifically focusing on processors, storage and packing houses, and traders within the study (i.e. in Herat – Hirati Cashmere Factory, and in Mazar, Nezam Cold Storage, Balkh Dairy Plant, and Khurasani Fardah trader), plus any others as comparators.

Introductions

Thank everyone for their presence and time.

Explain the purpose of the meeting: We want to hear about your experience with input suppliers and the businesses that buy your products, so we can understand better about the benefits and difficulties that you have with these. We will use this information to advise USAID on how they can better support these businesses so that they benefit Afghan farmers.

Go around and have everyone briefly introduce themselves: name, where they are from, the kind of farming they do and the livestock they keep. Also have everyone write their names on a registration sheet (or help those who cannot write…can do this before the focus group as people arrive also). The study team should also introduce themselves.

This meeting should take about an hour.

Part 1: Inputs

1. What inputs do you buy, from where, and for how much?
    a. Seeds?
    b. Fertilizer?
    c. Pesticides?
    d. Advice?
    e. Animal feed?
    f. Vaccines and other medicine for animals?
    g. Where do you get medical help for your animals (if applicable)?
    h. Where do you get advice from if your crops have a disease or other problem?
2. How do you decide where to buy your inputs?
3. Are you able to buy your inputs on credit? If not, how do you pay for them?
4. Are you happy with the quality of your inputs? Why or why not?
5. If you are buying from a VFU, AgDepot or FSC: (note which one)
    a. Why do you buy from that center?
    b. What do you like about this center?
    c. What don't you like?

    d. How does it compare to other input suppliers? (i.e. in what ways is it better, and in what ways is it worse?)
6. Have you seen any change in the availability, quality or prices of inputs over the last few years? If so, what was the change? Why did it happen?
7. What changes would you most like to see in the future with respect to inputs? Why?

Part 2: Products

1. What do you sell?
2. When do you sell it?
3. To whom do you sell it?
4. Why do you sell to these buyers? How did you make contact with them?
5. At what prices do you sell it?
6. Are you content with the prices that you get? Why, or why not?
7. Do you use any storage facilities before you sell? If so, where? What are the costs of using the storage? If not, why not?
8. Do you have any contract or agreement (formal or informal) with your buyers?
9. If you are not content with the prices that you get, why are you not able to find a better buyer/offer?
10. If you are selling to the Balkh Dairy plant, Hirati Cashmere Factory, or Khurasani Fardah:
    a. What do you like about this buyer?
    b. What don't you like?
    c. How does it compare to other buyers in the market? (i.e. in what ways is it better, and in what ways is it worse?)
11. Has the market for your products changed in the last few years? i.e. number of buyers, prices, demand and customer preferences, quality requirements, competition, etc.) If so, how? Why do you think it changed?
12. What changes would you most like to see in the future with respect to your buyers? (i.e. prices offered, number of buyers, buyers offering prepayment, etc.) Or the market for your product in general?

Interview Guide: Key Informants

Name:

Position:

Organization:

Phone:

Email:

Date of interview:

Interviewed by:

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Explain the purpose of our study: [something like…] We are studying the results of past USAID agricultural projects, and particularly, USAID's support to agribusiness. We are here to learn from your experience and insights on this topic.

1. Can you please tell us a bit about your work in relation to agribusinesses? How long have you been involved in this area?
2. Overall, what do you think have been the most successful approaches to support agribusinesses? Why? Can you give us specific examples?
3. Overall, what do you think have been the least successful approaches or biggest money-wasters for supporting agribusinesses? Why? Can you give us specific examples?
4. Overall, what do you think are the biggest lessons that can be learnt from these experiences (both successes and failures), going forward? What advice would you offer to donors such as USAID which may be investing in this area going further?
5. We are looking specifically at 6 projects in our study, so we would also like to ask if you have any particular experience with and thoughts on any of these past projects:
    a. IDEA-NEW: Hamesha Bahar Agricultural Services Company, Nangarhar Agricultural Training Center, Gift to Zest Food Production Company, Now Bahar Salrzai Ltd.
    b. Agriculture Development Program (ADP East): Included support to women-owned greenhouses, commercial orchards, nurseries, some other agribusinesses, including Al-Riyaz Packing House and Masroor Food Processing Factory, both in Jalalabad. Accelerating Sustainable Agriculture Project (ASAP): Supported many initiatives, including Helmand Poultry Company/Bolan Poultry farm in Helmand, Omid Bahar Factory and Badam Bagh Research Farm in Kabul, and Herati Cashmere Processing Plant in Herat.
    c. Farm Service Centers supported under Afghanistan Farm Service Alliance
    d. The Balkh Dairy plant and supporting dairy collection under the Dairy Industry Revitalization Project (DIRPA).

    Have you heard of any of these? Any thoughts about their success and sustainability?
6. Are there any other agribusinesses or initiatives supporting agribusinesses that you think of as particularly successful, and that we should consider in our study?
7. Do you know of any other studies or documentation on this topic that we should review? If so, are you able to direct us to the source, or do you have copies you can share with us?
8. Who else would you recommend that we talk with on this topic? (i.e. other experts)

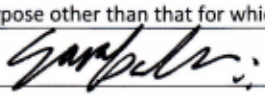
Thanks very much for your time!

ANNEX VIII: STATEMENT OF CONFLICT OF INTEREST

Disclosure of Conflict of Interest for USAID Evaluation Team Members

Name	Sarah Parkinson
Title	Consultant
Organization	Checchi and Company Consulting, Inc.
Evaluation Position?	☒ Team Leader ☐ Team member
Evaluation Award Number *(contract or other instrument)*	**Contract No. AID-306-C-12-00012**
USAID Project to be Evaluated *(Include project name(s), implementer name(s) and award number(s), if applicable)*	Sustainability assessment of agribusinesses supported through 5 completed USAID projects (IDEA-NEW, GDA, DIRPA, ASAP, AFSA, and ADPE)
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

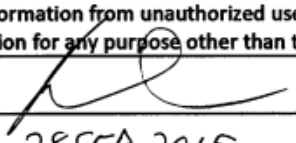
I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	10/9/15

Disclosure of Conflict of Interest for USAID Evaluation Team Members

Name	Name BENJAMIN RYAN
Title	Consultant
Organization	Checchi and Company Consulting, Inc.
Evaluation Position?	☐ Team Leader ■ Team member
Evaluation Award Number *(contract or other instrument)*	**Contract No. AID-306-C-12-00012**
USAID Project to be Evaluated *(Include project name(s), implementer name(s) and award number(s), if applicable)*	AGRIBUSINESS SUSTAINABILITY ASSESSMENT
I have real or potential conflicts of interest to disclose.	☐ Yes ■ No
If yes answered above, I disclose the following facts: *Real or potential conflicts of interest may include, but are not limited to:* 1. *Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated.* 2. *Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation.* 3. *Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project.* 4. *Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated.* 5. *Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated.* 6. *Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.*	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	28 SEP 2015